Survey Schreiber Field (Page 16)

Quintuplets Limited (Page 9)

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Largest Circulation of Any Canadian Financial Paper

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The Nation's Business

No Piecemeal Debt Adjustment

Retirement Plan Is Condemned

Second Flyer in Wheat Market

Hepburn Aids Federal Fight

Bennett Views Our Debt Problem

DISTURBING, thought-provoking things were said about our debt problem this week, especially as the spokesman was prime minister of Canada, even though now launching a political campaign. His viewpoint seems to be this:

1. It is "the duty of government in Canada today to undertake a comprehensive reconstitution of the whole national debt structure."

2. In order to reconstitute our national, provincial and municipal debt "we propose to set up a loan council."

3. We propose to ask creditors in this country "to agree to a scheme of conversion upon a substantially lower interest rate than that now provided."

4. Regarding Canada's creditors abroad: "As long as we are able to pay we will pay. We have never yet broken our word to any nation. And we never will."

* * *

RECONSTRUCTION of the national debt is a policy long advocated by this paper. It is one which should have been adopted long ago—not left until a few weeks before an election. But the job must be tackled in its entirety—not piecemeal between different kinds of bondholders; not divorced from balanced budgets and other essentials of sound finance.

Canada badly needs a national commission similar to that headed by Sir George May in Great Britain, to bring in a comprehensive report on our financial position with recommendations for a course of action to secure a balanced budget.

Regarding bond conversion, Mr. Bennett said he would "follow in principle what the British government did so successfully." He should have used the word "Australian"—not "British,"—for in Britain the debt conversion was undertaken as the right of government, the bonds being callable. Canada, like Australia, would have to ask bondholders to accept lower interest rates voluntarily, the bonds of both countries being uncallable.

* * *

WE HAVE long pointed out that this country is moving toward an eventual financial crisis unless a solution be found to our public debt and finance problem. Of our total government and municipal debt outstanding about four billions is held by Canadian investors; about $1.3 billions held abroad. Any solution must aim at the least possible injustice to these investors, but will doubtless involve sacrifice. Without question it must be tied to balanced budgets and sound fiscal policies for the future. Its solution would mean a period of deep financial disturbance in Canada but if done properly would reopen the door to business confidence. Through that door lies the only real hope of relief from unemployment and similar social and economic ills.

Meanwhile, Mr. Bennett's statements cannot help but be disturbing to business. But the cost will be infinitely greater unless he and other political leaders get behind the debt pile and tackle unbalanced budgets; continued railway deficits; unsold surpluses and other major items mentioned in this column recently.

It will avail little to save seventeen or even fifty millions in debt service if other leaks are not plugged. Thus Mr. Bennett's suggestions are robbed of their usefulness by pension schemes and other potential expenditures of his New Deal programme which seem to preclude any net reduction in our fiscal burden.

* * *

Old Age Pensions As a Panacea

AS FOR Mr. Bennett's pension plan, it is not new. In February, 1934, there was a debate in the British House of Commons which demonstrated the financial impossibility (even in that country) of universal retiring pensions at age 60. Actuaries, for example, are in universal agreement as to the staggering manner in which costs rise once the age limit is dropped from 70 (as in our present Canadian pen-

(Continued on page 2, col. 3)

See Sales Much Larger and Profits Maintained, Hiram Walker This Year

Big Distillery is Making Headway in U. S. Market Battle

BOOTLEGGING LAGS

Amateur Wholesalers Mortality High—Cheap Young Whiskies Wanted in U. S. A.

Earnings of Hiram Walker-Gooderham & Worts in the year ended Aug. 31 1935, will in all probability approximate those of the preceding year, The Financial Post understands. The last annual statement showed $7.30 a share earned on 460,818 no par preference shares and $4.40 a share on 660,000 no par value common shares. Similar results in the new year just ended will have been attained on a greater physical volume of sales and on wider distribution. There has been little change in working capital during the year and the wider market may have made necessary an increase in bank loans to handle it.

Sales in the last year were made in every state in the Union which is not officially dry and Walker products in every price group went into every hole and corner of wet states from Maine to California. Many large companies were competing for the available business with each other and with a host of untaxed bootlegging competitors.

Got Leadership

The encouraging factor to Walker officials is that companies which have a background of long and successful experience in the manufacture and marketing of spiritous products definitely assumed leadership in the year. Those large non-distilling companies, which judged there would be a lot of easy money to be picked up when the United States finally turned her back on prohibition and which established subsidiaries to take advantage of the supposed opportunity, have found out their mistake. Neither for well-known imports nor for a superior product, when prices were high, has there been a popular demand.

Experienced manufacturers and salesmen have remained in the trade but the others in a large number of cases are tiring. One striking case was that of Zonite Products Corp., which established the Tower Spirit & Wine Co., but withdrew after losing a quarter of a million dollars. A large sugar company tried a similar adventure and decided to close up after a loss of $300,000.

Those who got into the business on a shoe string, strange to say, are holding on to existence longer than responsible non-distilling companies such as those named.

The latter, having more at stake, decided to withdraw as soon as they saw that profits were not being or likely to be made. But the shoestring operators will only drop out one by one as they find it impossible to get credit. The mortality among amateurs in the business has been very large, and it is expected to continue so for some years to come. It will be even larger in the near future than it has been in the past, experienced officers aver. The investing public has found it out and is no longer providing money to establish new ventures in an over-crowded industry.

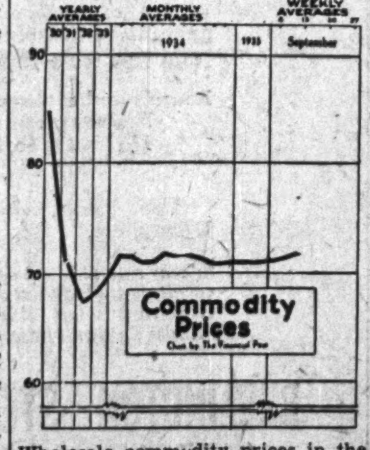
Ageing Huge Quantities

The manufacturers, however, have not been discouraged. Washington figures show that they are steadily making 10 million gallons monthly more than they are selling. In three or four years there will therefore be available a large quantity of aged and matured whiskies. Walker's believes it will be a prominent survivor of that time. New marketing problems will then face the trade. The mortality to date is among the small rectifiers and the wholesalers. It has to occur and it may make things easier for the permanent companies later on.

Just at present the American drinker of whisky is showing a steady preference for new whisky because the price is low. He has got used to it and he can take it. This has led to all sorts of experiments and research efforts to rid alcohol quickly of its fusel oil and to give United States a cheap drink. Considerable progress has been made in that direction.

Walker's had a big start in mak-

(Continued on page 2 col. 6)



Wholesale commodity prices in the week ended Sept. 6 advanced to 71.5 from 71.4 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

Walker Insurance Claim Made Soon

Claim of Hiram Walker & Sons, Inc., subsidiary of Hiram Walker-Gooderham & Worts, Ltd., for destruction of No. 3 rack warehouse by fire at Peoria, Ill., will be made within a week, it is expected. Salvage operations have been going on ever since the fire early in the summer and had to be completed before a claim could be made.

It is understood that some 4,000 barrels were salvaged unharmed from the basement and some other thousands of barrels, though charred, are expected to be quite uninjured as to contents. The salvage is more than expected. Total alcohol destroyed was about 70,000 barrels of green whisky. No. 4 warehouse, just completed, is receiving new whiskies at a rate which will soon make up for the loss in inventory, it is understood.

MORTGAGEES PREDICT CHAOS OTTAWA PLAN

Say Urban Debt Scheme Would Dam New Housing Loans

CITE FARM ACT

Loan men say Prime Minister Bennett "jumped off the deep end" when he suggested extension of the principle embodied in the Farmers Creditors Arrangement Act to city mortgages.

Machinery proposed by Mr. Bennett aims to set up "legal machinery by which the mortgagor will be enabled to scale down his obligation to those proportions where the mortgagee's interest is assured for the reason that the home owner can pay it and still remain solvent."

Much Opposition

Though Mr. Bennett says he thinks mortgagees will welcome such legislation, one loaning official stated his firm would at once stop loaning on urban real estate if such a plan were effected. He expressed the view that it would be a "stab in the back" to the new federal housing scheme and that it would halt insurance and mortgage firms who had not already signed a contract with the government from now doing so.

"The principle of adjustment between mortgagor and mortgagee is good," these people say, "but experience with the Farmers Creditors Arrangement Act convinces us that its extension into the urban field would lead to chaos. It is proving hard enough to make it work for farmers who are in business. It would be impossible for private individuals."

Billion and a Half Mortgages

Only about a third of Canada's urban mortgages are held by institutions, The Financial Post estimates. Total urban mortgages are placed at about $1.5 billions of which $500 millions are held by loan, mortgage and insurance companies. The remainder are held by private investors.

Private individuals express the same view, from the mortgagee standpoint, as institutional officials. Of course builders and mortgagors think the prospect a rosy one but do not estimate the eventual results the move might have on new lending. This would dry up almost entirely if such a plan were invoked, it is claimed.

Little Opposition To Fixed Price Of Wheat in West

From Our Own Correspondent

WINNIPEG.—There has been no western comment adverse to the price basis fixed for wheat by the Canadian Wheat Board, except from a Saskatchewan organization that complained that $1.06 cents had not been established. Roy Milner, president of the Winnipeg Grain Exchange, issued a statement to the effect that the established basis seemed justified by market conditions.

Much criticism has been included in private cables from overseas buyers, even to the extent of renewing suggestions that Canada might lose her wheat preference in Great Britain through refusal to sell at world prices. Such objections appear to overlook the fact that the board's buying price is not necessarily its selling price.

Edmonton's Steam Power

Edmonton has refused to extend the agreement with Calgary Power Co. beyond October 1. Mayor Clarke says the steam plant will then carry the whole load. No experts have yet been consulted.

HYDRO TAKES STEP TO BREAK QUEBEC TIE-UP

Frequency Changer at Chats Falls to Supply 60-cycle Power

SIGNIFICANT

Hepburn Will Have Whip-hand in Dictating Terms to Quebec Plants Supplying Ontario

From Our Own Correspondent

MONTREAL. — Ontario Hydro Electric Power Commission is now installing a frequency changer in its Chats Falls power plant which will enable Hydro to supply Eastern Ontario with 60-cycle power if the Ontario Government carries out its threat to repudiate contracts made between the Commission and the Quebec power companies.

This move is highly significant and forewarns that the Ontario Government will impose a settlement of its excess power problem on its own terms. Otherwise it will be in a position to cancel all contracts without impairing the service now rendered to Commission customers.

Last spring Attorney-general Roebuck opened the campaign of repudiation by declaring that the Hydro contracts held by the Quebec utilities were illegal, etc. Shortly after Premier Mitchell Hepburn passed legislation giving the government authority to cancel the contracts. Beyond refusing to take the additional deliveries as called for under contract, the Government has not cancelled the contracts.

Inaction Held Out Hope

Due to the inaction of the Government, the belief has developed that Ontario is seeking concessions on its power contracts but would not repudiate them. In support of this belief it is pointed out that while Hydro has a surplus of energy, demand has been steadily growing, and even today a fair proportion of the power delivered by Gatineau Power, Maclaren-Quebec, Ottawa Valley Power and Beauharnois is being utilized by the Commission.

Looked to Gatineau Power

A scaling down of commitments is anticipated, but the power companies have been thought to hold the whip hand over Hydro because of its dependency on Gatineau Power for deliveries of a relatively large block of 60-cycle power to take care of Eastern Ontario. This "big stick" was expected to bring the Hepburn Government into line in the event that its demands were more than

(Continued on page 2, col. 4)

CONSUMERS' GAS 1935 EARNINGS TO EQUAL 1934

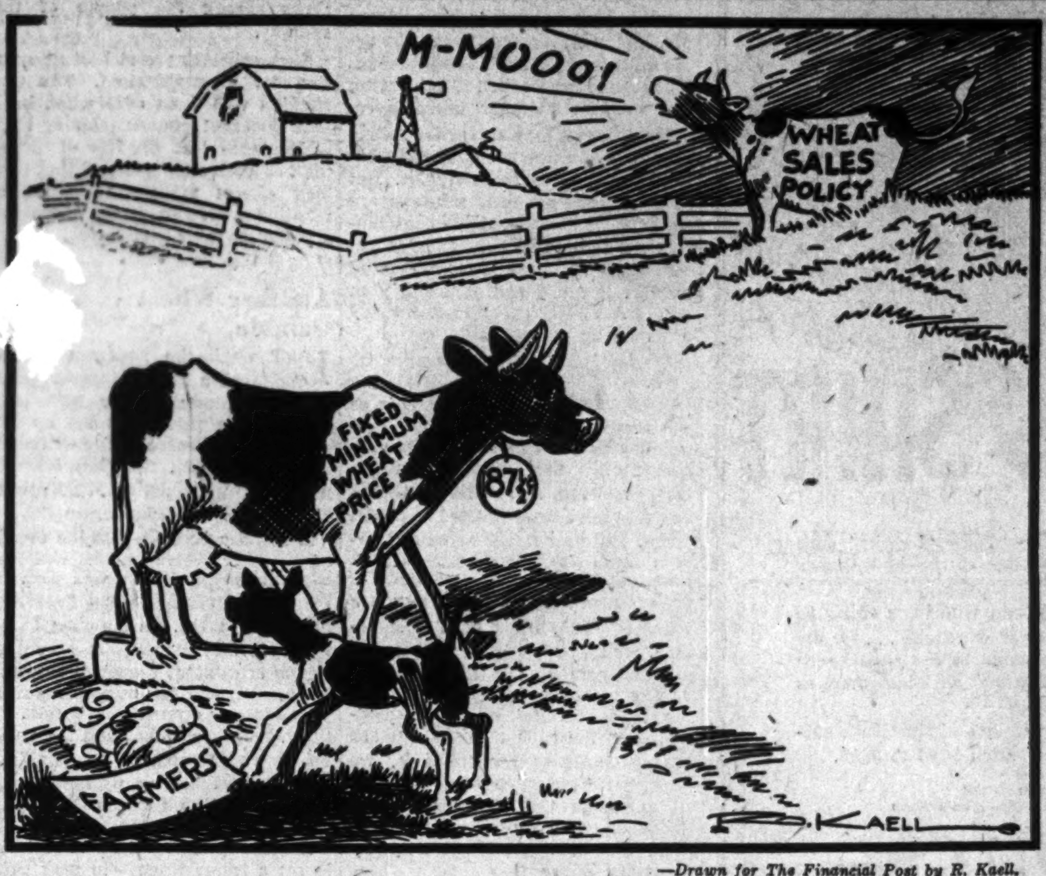
Gas Sales Down Slightly But More Appliances Sold

On the basis of returns for 11 months, Consumers' Gas will have earned in the year ending Sept. 30, 1935, about the same as in the previous fiscal period. In the year ended Sept. 30, 1934, the company earned its dividend and slightly more than actual expenditures on plant and buildings renewals. It failed, however, to cover the whole reserve required by law for this purpose. This reserve in the last several years has been greater than actual need for renewals.

So far in September gas sales are higher than for September, 1934, but the total sales for the year to August 31 were 2 per cent below sales for the same 11 months of the preceding fiscal year. This compares with a decline of 2.87 per cent for nine leading United States companies for eight months of the calendar year and with a decline of more than 5 per cent for one of the largest companies.

Sales of gas appliances, measured in dollars, increased to the end of August by 35 per cent. Sales of gas water heaters have been four and a half times sales in 1933-34 for 11 months. Sales at the Exhibition in 1935 were 33 per cent ahead of sales in 1934.

Many more appliances were sold for cash in 1935. Collections from gas users improved notably in the year.



—Drawn for The Financial Post by R. Kaell.

IT'S THE OTHER COW THAT HAS THE MILK!

BIDS TO BUY GREAT LAKES SATISFACTORY

Later Offers Can Be Accepted Up to Sept. 20

SEEK BOND VOTES

While the closing date for offers to purchase Great Lakes Paper Co. was Sept. 10, the bondholders' committee may accept bids right up to noon on Friday, Sept. 20, at which time bondholders are to meet to consider would-be purchasers' bids.

Under the order to the receiver, National Trust Co., Toronto, the meeting of bondholders could be adjourned eight days to consider any offers submitted after Sept. 10.

Several offers to buy have been received. They are from American publishers and Canadian financiers. None is expected to be opened until Sept. 20 when bondholders meet. It is understood that at least one of the bids is from a source and of a character satisfactory to the bondholders' committee. This means that other bids will have to be good to be successful.

Seek Representation

The committee mailed a letter to bondholders this week urging them to attend the meeting in person. If this is not possible, bondholders have been urged to send their proxies to the committee of which R. G. Meech, 25 King St. West, Toronto, is secretary. All that is necessary, in the way of a vote, to sell the Great Lakes enterprise is a majority vote of the bonds represented in person or by proxy at the meeting. Approval would make acceptance of any offer binding upon all the $10,000,000 of first mortgage bonds.

Proxies from bondholders who will not be able to attend the meeting are understood to have been coming in to the committee satisfactorily, but the committee's aim is to get as large a representation as possible.

Depends on Vote

Reports are erroneous that all bids may be turned down by the bondholders' committee, The Financial Post is informed. The committee will be satisfied with at least one of the bids. Whether the property is reorganized and taken out of receivership depends entirely upon representation of bonds at the meeting to out-vote any objectors.

Would Buy Newsprint

It is known that long-term contracts to buy the entire output of Great Lakes Paper Co. will be offered to bondholders as part of the purchase consideration. Also, new securities for part of the face value of principal, and bearing interest, will be offered in exchange for present bonds. None of the offers is expected to consist of cash. All are expected to offer new securities for the present first mortgage bonds.

Acadia Sugar Co. Lays Plans for Refinancing

From Our Own Correspondent

MONTREAL.—Plans are being laid by Acadia Sugar Refining Co. for the replacement of the present 6 per cent first mortgage issue with a bond carrying a lower rate of interest, if and when market conditions prove advantageous. A meeting called in Halifax this week approved the creation of a new issue of $2.5 million of first mortgage bonds. Another meeting will be called for September 23, when authority will be asked to issue $1.5 millions of the bonds. This compares with the present outstanding first mortgage issue of $1,974,000.

Last May Acadia Sugar called for redemption all of its outstanding general mortgage bonds, amounting to less than $600,000. These bonds were redeemed on July 1, and as they carry a 7 per cent coupon the company was able to effect a considerable saving in interest charges. It is hoped that with a continued strengthening of the bond market it will be possible to call in the present 6 per cent first mortgages and replace them with the new issue at a cost of better than 5 per cent.

During the past four years operations and earnings of Acadia Sugar have recorded an appreciable improvement. An initial dividend was paid on the 6 per cent preferred stock at the end of 1930 and since that time regular payments, together with extras, have practically cleaned up the arrears of dividends, which accumulated between 1926 and 1929.

Highlights

Quints Ltd.

Ontario has a closed world trade corporation in the five Dionne babies. It has meant a lot of business for all parties. Page 9

Aberhart Taxation

Perhaps unintentionally, Alberta's new premier, William Aberhart, has proposed a scheme whose end might be communistic. Page 9

Flower Merchant

T. W. Duggan became a leader in Canadian horticulture by merchandising cut flowers from Brampton, Ont. Page 8

Central Bank Co-op.

Co-operation of central banks is more often heard than understood. The Bank for International Settlements explains. Page 4

Schreiber Visit

Old Ontario mining district appears to be staging a comeback. Observations on this district by The Financial Post. page 16

Sorting the Mines

The second of a series on stocks comprising the mining section of the Toronto Stock Exchange, from A to Z, appears this week. Page 14

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R. B. BENNETT GETS REPROOF ON BOND PLAN

Conversion Proposal Surprises, Annoys Bond Men

OPINIONS VARY

Rt. Hon. R. B. Bennett got a generous earful of reproof this week from fiscal authorities following his surprise proposal to convert governmental debts at lower interest rates on a national scale, if re-elected. Influential people "talked to him like Dutch uncles," The Financial Post understands.

Surprise and annoyance were expressed by investment men this week particularly at the unexpectedness of Mr. Bennett's announcement of his scheme. The criticism was common that it was unnecessary to wait until just before an election to shock the investment community. On the other hand, Mr. Bennett's proposal seemed to have considerable public approval.

Bonds Slump

There was an inclination not to take Mr. Bennett's statement too seriously because of the fact that he may not be re-elected. Bond prices slumped, however, as shown on page 5. One bank official expressed the view to The Post: "Even if Mr. Bennett doesn't get a chance to try it, some other political leader may."

Views of business and financial and political leaders obtained by The Financial Post are qualified by the fact that the precise details of Mr. Bennett's scheme are not known; perhaps not even by Mr. Bennett himself. This is shown in the quotations which appear in The Nation's Business column on this page.

Says Statement Crazy

A leading investment dealer commented: "Any man who needs to borrow money, and who announces he's bankrupt when he's not, is crazy. It damages our credit in Great Britain. English investors won't like the scheme just because it is only designed to mulct Canadian bondholders. The Americans think everything we do is all right anyway, so it may not hurt us much there."

One bank official expressed this view: "Coming from Mr. Bennett, the proposal was a surprise. We would not have been unprepared for such a scheme coming from some other party leader. Any such scheme would mean hardship on those who bought bonds at high prices."

Expresses Approval

The president of a major merchandising firm approved Mr. Bennett's proposal as follows: "Much as I dislike breach of contract, circumstances may arise which compel modification of long-term covenants. When Canadian governments get to the point that they have to borrow to pay interest, as they have,

(Continued on page 2 col. 5)

$600,000 Start for Dom. Bridge On B. C. Project

Dominion Bridge Co. has obtained the signature of Premier T. D. Pattullo of British Columbia on the contract for the initial work on the New Westminster bridge. The contract provides for outlays of some $600,000 on the approaches to the new span of the Fraser River.

Work is being undertaken at once. The first part of the work will consist chiefly of laying cement foundations. The total of contracts for the bridge will be $2,722,000, all of which is contracted for by Dominion Bridge Co. In total the bridge is one of the largest jobs Dominion Bridge had had for some time. The B.C. Government will continue to authorize the work in sections.

SEE VOLUME CAN. CANNERS NEAR NORMAL

Prices For Canned Goods Stiffen on Export Demand

AFFECTS DIVIDENDS

Deferment of Convertible Preference Dividend Follows Low Profits and Prices

Although the dividend on the convertible preference stock of Canadian Canners Ltd. ordinarily payable Oct. 1 will not be declared, the outlook for the remainder of the company's fiscal year is not entirely unfavorable.

Prices for many stable lines including canned tomatoes have stiffened recently. Prospects of disposing of this season's pack of fruits and vegetables profitably are considered more nearly normal than for several years.

In the year ended Feb. 28, 1935, the company earned nothing on its convertible preference shares. Since prices for staple lines, particularly tomatoes, were low earlier this year, it is hardly surprising that the convertible preference dividend was dropped. Although the first preference dividend was not shown as fully earned last year, it is being paid and may yet be earned in the current year. This, however, is problematical because the winter sales season has hardly started.

Money in Inventory

One factor which is believed to have influenced the decision on the convertible preference dividends is that the company holds its largest inventories and employs the largest amount of money at this season. There is no shortage of working capital, however.

The official announcement of the dividend action indicates that chances for resumption of payments depend on developments. It reads: "The quarterly dividend on the convertible preference stock is deferred pending the ascertaining of the results of the year's operations. It is hoped that the present improving trend of business will continue throughout the year and will justify a resumption of dividends."

Trend of Trade

The improving trend referred to concerns both prices and sales. Canned tomatoes have risen from about 65 to over 80 cents a case for "standards." Other grades have done the same. Canadian Canners is known to have carried its inventory at conservative figures this year.

Improved exports are helping the price and sales situation for tomatoes, vegetables and fruits. British buyers have been taking Canadian tomatoes because of scarcity of the Italian product due to the Ethiopian dispute. This export business is profitable to Canadian Canners.

Prospects Summarized

Prospects for profitable sale of the company's new packs are summarized in the following:

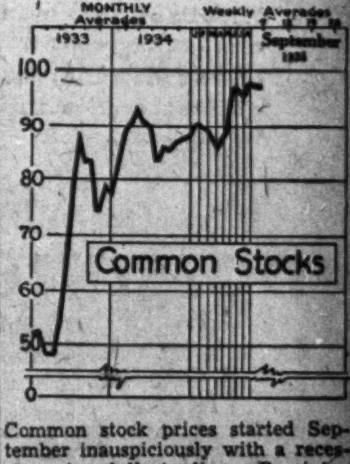
Fruits—A bare market should help marketing. Earlier small fruits were plentiful. Pears are scanty. Peaches are late and inclined to be small. Because of a good clean-up of last year's pack of fruits, and increased export demand for several lines, prices have stiffened and prospects are satisfactory for sale of the new pack at profitable prices.

Vegetables—Corn was affected adversely by hot weather and will be a small pack. Prices are firm for corn. Peas are plentiful but low grades predominate. There is a possibility of keen sales competition in standard and sub-standard grades.

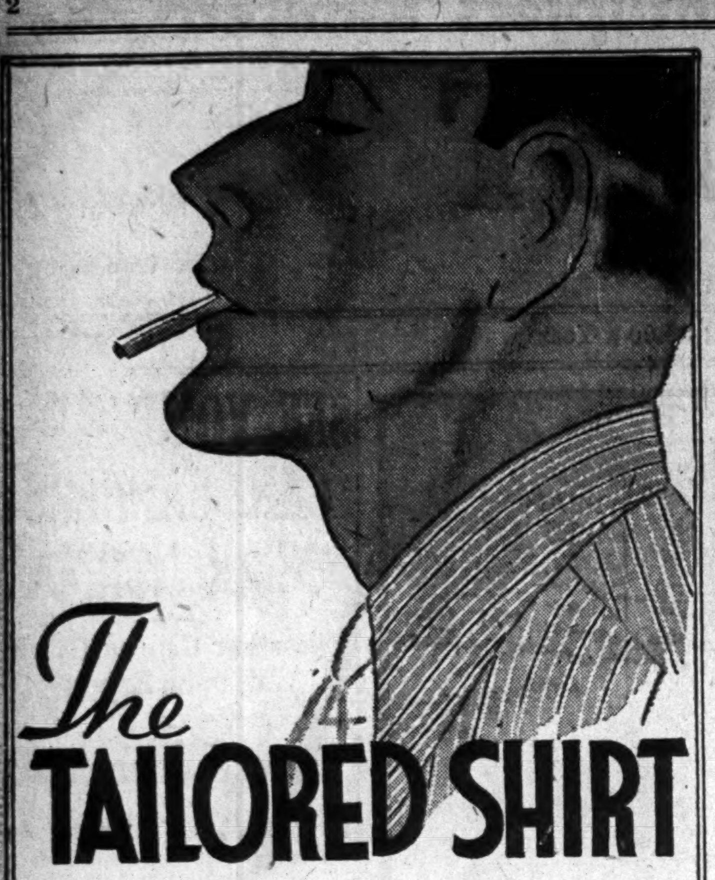
Tomatoes — Reduced plantings, adverse late-summer weather, and lively export demand have firmed prices. Last year's pack is being cleaned up satisfactorily and if export demand remains strong prices may go higher.

Profit Prospects

Eventual outcome of Canadian Canners' year depends largely on export demand which may remove considerably more than the margin of goods taken from Canadian canning firms in recent years. Although prices, particularly for tomatoes were soft earlier this year, maintenance of present conditions in the canned goods markets could still enable the company to improve on last year's profits. They amounted to $177,586 after all charges, compared with $342,908 in the preceding year.



Common stock prices started September inauspiciously with a recession, in dull trading. Dominion Bureau indices, charted above, and stock exchange indices appear on page 5.



The TAILORED SHIRT

THERE'S no denying that the "*Tailored Shirt*" does cost a little more than ordinary shirts—and there's no denying it *is worth it.*

The "*Tailored Shirt*" is for the man who buys shirts as a definite addition to a well-planned wardrobe . . . for the sportsman who takes the same pride in the appearance of his shirts and the workmanship that goes into them as he does in a set of matched golf clubs.

See the "*Tailored Shirt*" in the season's distinctively patterned, fine English broadcloths. Each $4.00 to $6.00.

Main Floor—Queen Street
Also EATON'S-College Street—Men's Shop

THE T. EATON Co LIMITED

No Income Taxes
No Land Taxes
2% Inheritance Tax

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309 Bay Street
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Franciscan Order Sell Block of Mortgage Bonds

From Our Own Correspondent

MONTREAL.—Dubé, Leblond and Lucien Côté, Quebec city, are making a public offering of $327,000 of 4 per cent first mortgage bonds of L'Institut Des Franciscaines Missionaires De Marie (Quebec). These bonds, which are payable as to principal and interest in Canadian funds only, mature serially from 1936 to 1950 and are offered at par and accrued interest.

Yearling Trees For West

Preparations have been completed to provide 20,000,000 yearling trees for planting on the Prairies next year.

Executive Available

Sales Executive, 39 years of age, with successful record in sales management, advertising, sales promotion, and market research, desires position where there is scope and reward for hard work and originality.

Further details and references gladly supplied. BOX 232, The Financial Post, Toronto, Can.

Obituary

Henry C. Scholfield, for more than four decades prominent in the financial and industrial life of Ontario and minister without portfolio in the Ontario Government during the Henry régime, died in Toronto. Mr. Scholfield was president of Page-Hersey Tubes, Ltd., director of Canadian Canners, Ltd., Cohoes Rolling Mills, New York, the Economic Investment and Trust Co., Ltd., and the Federal Fire and other insurance companies.

Lt.-Col. Harry H. Yuill, well-known British Columbia mining man, died at Vancouver. Since 1928 he was B.C. engineer and general manager for the Victoria Syndicate of London, Eng.

William Ross Rogers, mines' assessor for the Ontario Department of Mines, died at Toronto. He was formerly assistant to the deputy minister of mines.

In Foreign Markets

Canada's progress is measured largely by her volume of foreign trade. Markets to sell to . . . markets to buy from . . . in this complex process of exchanging commodities The Dominion Bank plays an important part. With its own offices in London and New York, and banking connections in business centres all over the world, this Bank gives prompt and efficient service in all Foreign Exchange transactions. 303

THE DOMINION BANK
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C. H. CARLISLE, *President*
DUDLEY DAWSON, *General Manager*

Paid Up Capital - - - - - $7,000,000
Reserve Fund and Undivided Profits $7,540,000

The Nation's Business

(Continued from page 1)

sion scheme) to 65, and again from age 65 to 60.

The Bennett plan, apparently, is to augment (financially) the present old-age pension scheme and at the same time lower the age limit to say 65 or 60 years of age. As Mr. Bennett admits frankly, it is a further plan for redistribution of wealth. If age 60 were adopted (says Mr. Bennett), it would mean the removal in one year of 120,000 persons from the labor market, thus clearing the way for younger unemployed.

Mr. Bennett says an earlier retirement age is a new trend already being faced in private enterprise. But most private pensions schemes are soundly financed by joint contributions. There is no assurance as yet that such a scheme is contemplated by Mr. Bennett and that the plan would not be largely if not entirely financed by public funds.

• • •

ADMITTEDLY the next decade or two will see vast social and economic changes along the lines suggested by the Prime Minister. Changes even more startling than any that have been enacted in recent years. But how in the name of common sense can this country, at this time, afford the tens of millions of dollars necessary to finance such a scheme which, when once inaugurated, would certainly become a permanent part of our national life? And comparison of this cost with our present relief bill is misleading. For the $100 millions we are paying annually for relief is, we hope, a temporary burden. Are we to exchange this overnight for a permanent obligation which actuaries say will grow annually by leaps and bounds?

And for the long term, surely a better approach would be a way formerly advocated by Mr. Bennett himself, namely to gradually eliminate old age pensions (if possible) by substituting some type of annuity scheme to which perhaps governments, employers and employees would contribute and which would preserve the very vital element of thrift among the people of this country.

Such schemes are at best no solution for unemployment. The real solution will come only when business men feel assured (as they have in England) that the tide of spending has been stemmed and that they may expect gradual reduction in taxation and some chance of making a profit on their investment.

• • •

Another Wheat Gamble

LAST week the government announced a fixed minimum price of 87½ cents for new 1935 crop wheat. The price was set by the new advisory board of the Canadian Grain Board Act. Canadian farmers hailed it with delight. Britishers were not so enthusiastic.

It is quite possible that the events of the next twelve months will justify this price, which was perhaps 7½ cents more than had generally been anticipated. On the other hand, the government may lose a considerable amount of money before the year is out and our huge carryover, plus our new crop wheat, is sold. In short, the government and the grain board would seem to be gambling that present bullish prospects will continue until all Canada's surplus and new crop are sold.

A wiser course would have been to set a lower figure—to play safe, for a change, instead of continuing our national policy of gambling in wheat. Farmers would not have suffered, for provision is made whereby they can participate subsequently in profits if a figure larger than the minimum is realized after all sales have been made. Even more important, a lower price would have been the very best sort of harbinger to those who buy our wheat and on whom the livelihood of our farmers really rests.

• • •

Mr. Hepburn's Speaking Tour

CONSERVATIVES and other politicians are criticizing Premier of Ontario Mitchell Hepburn for his speaking tour across Canada in support of Mackenzie King and the National Liberal Party.

But Mr. Hepburn is official head of the largest province in Canada—an area which in common with its eight sister provinces is closely affected by the type of federal administration which we have at Ottawa. Hence it may be useful for him to take an active part in the campaign and its issues, if he keeps in mind that he is a representative of the province and not a partisan Liberal politician. And provided that he remembers also that he was elected by thousands of decent Conservative voters, disgusted with the maladministration of the previous political machine which masqueraded as reputable Conservatives.

Mr. Hepburn has done good work toward balancing his budget and we hope he will carry this viewpoint into the federal arena. However, his actions respecting his twenty million dollar loan and other matters have shown a strong political, rather than a national bias.

CREDIT INCREASE DISTILLERS STOCK TO SPECULATION

Gain in Profits Expected in 1935 Report of Distillers-Seagrams

From Our Own Correspondent

MONTREAL.—If share earnings of Distillers Corp.-Seagrams for the fiscal year ended July 31 last are half as good as have been forecast in brokerage circles, those who bought on speculative account will not be disappointed.

From a low of around 13½ this year the stock has been bid up to the current level of 27½. This rapid appreciation is credited to speculative buying and the market operation of Mr. Ben Smith, of New York City, whose interest in other stocks has made his name familiar to speculators on more than one exchange.

Big Gains Indicated

There is no official information on what the financial statement for the last year will reveal in the way of share earnings. At the annual meeting last January, Samuel Bronfman, president, told shareholders that for the first quarter of the 1935 fiscal year net profits before income tax amounted to $2,365,356. For the first two months of the second quarter—November and December, 1934—he forecast an even greater improvement.

The remarkable gain in earnings is seen in a comparison of the returns for the first quarter of the 1935 fiscal year with those for the twelve months ended July 31, 1934. In the latter period net profits subject to income tax amounted to only $1,405,805, or 66 cents a share.

Considered Too High

Since that time there has been no official word on earnings, but in speculative circles it is taken for gospel that in the fiscal year ended July 31, 1935, Distillers-Seagrams earned between $10 millions and $10.5 millions, after all charges, or equal to nearly $6 a share.

This "forecast" of net earnings appears to have been arrived at by the simple method of multiplying the returns for the first quarter by four, which is not regarded as a very sound way of calculating annual earnings.

In the last two or three weeks there has been a scaling down of the "estimated" earning power and in well-informed circles it is stated that the 1935 statement will not show $6 a share earnings. The expected share profits may range from $3 to $4.5 a share, it is said, because of the unusually large expenditures incurred by the company in promoting the sale of its products in the American market.

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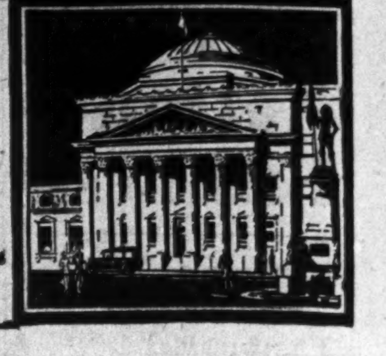

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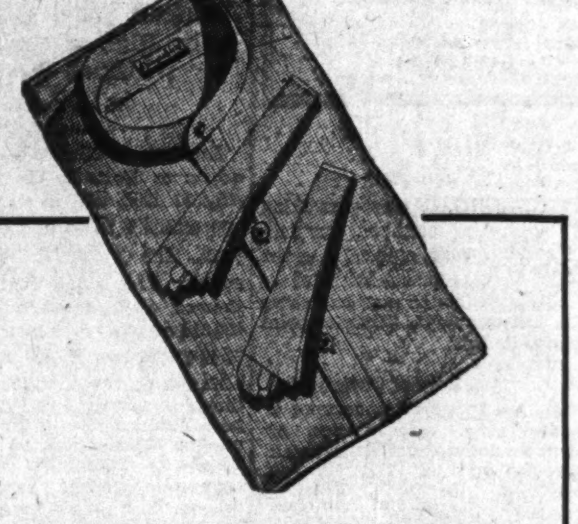

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You will be interested in the fabric, which is a fine Lancashire-woven broadcloth of two-ply construction in neat stripes and checks.

The tailoring will please you with features such as shirred backs, full length centre box pleats, seven smart collar styles including the "fused" non-wilt type and the use of Sydney ocean pearl buttons.

The surprise is the low price for a shirt with the appearance and fit of the finest hand-made articles. Sizes 14 to 17. Phone orders filled—Adelaide 8411. $3.

Store for Men—
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Simpson's
THE ROBERT SIMPSON COMPANY LIMITED

Loblaw Autumn Business Expected To Be Satisfying

There is nothing peculiarly unsatisfactory in the operations of Loblaw Groceterias Co. which accounts for recent softness of the company's class A shares. Company officials look for a good autumn business. Profits for the first four-week period of the summer were slightly below those for the 1934 period. Normal autumn buoyancy of sales is expected to be repeated with benefits to profits.

Too Early to Forecast

It is far too early to make any forecast of results for the entire year 1935-36. Periodic sales and earnings reports give a guide to the company's progress, but adjustments always made in the last period of the fiscal year have a major bearing on total profits.

The company's class A shares dropped in the last month from 19 to 17¼. The class B shares from 17 to 16¼. There appears to have been some switching from the A to the B shares, judging by the narrowing of the margin between prices for each. The softness of both classes of stock, however, is attributed to reports of lower profits despite gains in sales.

There is as yet no prospective change in dividend rates which are $1 a share annually for each class of stock. In the year ended May 31, 1935, earnings amounted to $1.08 a share on the A and B stock. The dividend gave earnings a fairly close shave.

Merchandising Policy

The company's merchandising policy has been steadily toward expansion of its volume of sales of fruits, vegetables and meats handled through the new warehouse and "marketerias." There is still believed to be room for expansion of this phase of the business.

In the grocery trade there is some expectation that profit margins will tend to widen for Loblaw's as well as for other merchandisers this year. If this occurs, the seeming tendency of Loblaw profits to decline in relation to volume may be reversed.

PENSION PLAN NEEDS OUTLAY OF HUGE SUM

Estimate 368,800 Persons Would Have to be Provided For

England, as early as 1934, tackled officially the question of "retiring" pensions at age 60. Debate on the subject in the House of Commons (Feb. 21, 1934) concluded that it was a financial impossibility, and nothing further was done about it. Canadian actuarial experts are also inclined to doubt the practicability of a scheme based on this age, suggested by Mr. Bennett in his proposal to meet the unemployment problem.

579,602 Over 65

In Britain there are two types of old age pensions now in effect. One is paid to persons over 65 and the other to persons over 70. Of the 1.4 million people between 65 and 70, 665,000 were receiving pensions in 1931; and of the 1.9 millions over 70 years, 1.4 millions receive pensions. Altogether 2.1 millions of the 3.3 millions over 65 were on pension.

In Canada, the Dominion Bureau of Statistics in 1931 placed the number of persons over 65 at 579,602. Taking the same proportion receiving old age pensions as in Great Britain, there would be about 368,800 to be provided for. If a plan of old age pensions in Canada were to be complete, therefore, it would involve payment of 368,800 times the benefit. A payment of $8 per week, for instance, would call for an outlay of approximately $148 millions.

These calculations are based on retirement at age 65 in order to obtain comparison with the British figures. If age 60 were chosen, the cost would be staggeringly greater. There are almost 300,000 persons in Canada between 60 and 65, and although the proportion of these receiving old age pensions would likely be less than at the higher ages, the effect of such additional expenditure would undoubtedly be very heavy.

The Dominion government and seven of the provinces have cooperated in providing old age pensions for persons over 70 years of age. These plans have been put into effect at various dates, ranging from 1927 in the case of British Columbia to 1934 by Nova Scotia. Payments on this account for the period since inception has called for payment of $85.6 millions, of which the Dominion government paid almost $57 millions. For the year ended Mar. 31, 1935, an expenditure of $20 millions was required.

Fruit Board Surplus

A surplus of $8,513 for the fiscal year ended June 30 was shown in the financial report presented to the Fruit Export Board of Canada at its first annual meeting in Kentville recently. Total revenue was placed at $25,817.82 and expenditures amounted to $17,304.16.

HYDRO TAKES STEP TO BREAK QUEBEC TIE-UP

(Continued from page 1)

could be borne by the Quebec companies.

It has been admitted that Hydro might possibly get along without deliveries of the 25-cycle power, which is the sole delivery of Beauharnois, Ottawa Valley Power, Quebec-Maclaren and the greater part of Gatineau Power's deliveries. Further it has been the belief that the long-delayed meeting between Taschereau and Hepburn would result in some amicable settlement of the problem.

The hopes of the majority interested in the welfare of the Quebec companies, however, have been pinned on Gatineau Power's control of the 60-cycle power in the Eastern Ontario section as an effective measure of protection against either outright repudiation or too drastic scaling down of present deliveries. This belief has been widely subscribed to because of the apparent lack of action by the Hepburn Government since the original Roebuck attack on the Hydro contracts.

Changes Whole Picture

At this time it is still a matter of guesswork as to what the Hepburn Government intends to do, but the action of the Commission in placing a frequency changer in the Chats Falls power clearly indicates that Ontario intends to be independent of either 25-cycle or 60-cycle power now being supplied by the Quebec companies.

The Chats Falls plant now appears to have been an "ace in the hole" for Hepburn. This development on the Ottawa River was carried out jointly with the Quebec-controlled Ottawa Valley Power Co. The remedial works, dams, power house and other work were carried out jointly, while Hydro installed its own generating units on the Ontario side of the River and Ottawa Valley carried out its installation on the Quebec side. The Commission has installed four units of 28,000 h.p. each. At present they are set up to turn out 25-cycle power which is transmitted to Leaside. By putting in frequency changers the Commission will have all the power necessary to meet its own requirements in Eastern Ontario.

With the 60-cycle "big stick" of Gatineau Power out of the way, Premier Mitchell Hepburn will be in a position to dictate his own terms to Gatineau Power, Maclaren-Quebec, Ottawa Valley and Beauharnois. The bargaining position of the Quebec utilities has been definitely weakened.

The possibility cannot be denied in view of the Chats Falls development that the Hepburn Government may carry out its original intention of outright repudiation. That the Government has held off for so long may be ascribed to the time necessary to install the frequency changers and the political desirability of withholding action until after the Federal elections.

By this time next month, with the Federal elections out of the way and the work at Chats Falls complete, the Hepburn Government may make known its ultimate plans of either repudiation or a revision of contracts. In the event the Government chooses to scale down deliveries or adjust the price of power, the Quebec companies will not be in a position to do much more than stand on their "legal" rights, which, in this instance, have little or no value.

R. B. BENNETT GETS REPROOF ON BOND PLAN

(Continued from page 1)

it may be better to ask creditors to take a reduction of interest than to carry on and perhaps make it difficult for the bondholders to get back their principal. Of course, we can continue to hope for something to turn up that will solve the problem. In the long run this might be bad for bondholders. A conversion would necessarily work hardships, perhaps unfairly in some cases, but hasn't hardship been suffered by lots of people in this country?"

Political Views

A Conservative party chieftain sidestepped: "You'll notice that he doesn't say that there would be a compulsory conversion."

A former Liberal cabinet minister scoffed: "What is Mr. Bennett's scheme? Who knows what he plans to do? I think it's getting too much attention because it is unlikely that he will be re-elected to try it, whatever it may be."

Conversion Alternatives

There are several alternative methods by which conversion of Dominion, provincial and municipal bonds at lower interest rates might be carried out in Canada.

Mr. Bennett hints that all these governmental debts might be lumped in the borrowings of a loan council. He gave no clear delineation of details of his proposal. His address was not released before he made it and only he himself appears to have been "in the know."

First, it would be possible for all Dominion Government debt owed to Canadians to be lumped into one issue of bonds bearing a single coupon rate of interest. Then, holders of five per cent bonds might be given $110 of, say, three per cent bonds for each $100 of fives. Smaller face amounts might be given for lower coupon bonds now outstanding.

Flat Rate Cut

Another method would be to have the proposed loan council order an arbitrary percentage reduction of all coupon rates on Dominion, provincial and municipal bonds held by Canadians. This is what Australia did. New bonds bearing lower rates were issued. The flat 22½ percentage reduction was adjusted by making minor changes in the face value of the investor's holdings to make the change exact.

In Canada, there is a problem created by recent sales of bonds at very low interest rates. It might be that a conversion scheme would have to leave recent purchases of new issues undisturbed. This still would give no compensation to the investor who, for example, recently bought a five per cent Dominion bond at a high premium above par.

Scheme Hypothetical

Mr. Bennett at least made it clear that his scheme was not to be applied to foreign holders of Canadian bonds. To bond authorities it appears that considerable detail would have to be settled before any such conversion would be possible. Then there is the prospect that Mr. Bennett may not be returned to power and a succeeding government might take steps to rectify the national finances without resorting to a debt conversion. All told, investment opinion is that conversion schemes are still in the hypothetical, conversational stage.

SEE SALES MUCH LARGER AND PROFITS MAINTAINED, HIRAM WALKER THIS YEAR

(Continued from page 1)

ing whisky for this market as it had tested out about 50 methods for producing quick results back in 1921 and 1922 when there was a real shortage of whisky everywhere. It has seen many manufacturers trying to use these discarded methods in the United States in the last two years but with all that experience behind it it was able to use the tried methods for quick disposal of fusel oil for the young whiskies. It has not abandoned the old and tried methods requiring long ageing because certain flavors can only be secured in that way. Nevertheless it is claimed that its young whiskies of 3 months are better than some competing brands one year old.

May Keep Matured Whiskies

Early in 1934 there were great expectations for selling Canada's excess millions of aged and matured whiskies in the United States. Few observers believed the United States would retain a duty of $5 a gallon, thinking concern for the health of the people would lead to a lower duty to encourage import of matured liquor. But that did not happen and the marketing of Canada's surplus in the United States depends in part on Premier Bennett or his successor making some trade arrangement with the United States which will get lower duties. Without some trade concession the industry now hardly expects much lowering of duty, if any. If American stomachs have been able to stand what they have been taking in great part so far, it is thought scarcely likely that a sudden concern for such tough interiors will develop in Washington over-night.

The marketing problem for Canada's excess has therefore changed to a marked degree. It will be marketed in Canada unless Premier Bennett's trade plan carries through. Operations have been low in Canada for some time in this expectation but the product, it is stated, will be increasingly acceptable because such a large part of it will be aged more than four years. It will all be marketed eventually but naturally the results will be years longer in accomplishing by this method. Some claim to see in these ageing inventories a tourist attraction for many years to come. The Canadian consumption is at the rate of from one to 2 million gallons yearly.

Wholesalers were recently questioned as to sales preferences of their customers. Out of 351 replies it was stated that 63 per cent of sales were of whisky, 14 per cent of gin and small percentages of other spirituous products.

Bootlegging

Wholesalers differed in their estimates of amounts of bootleg whisky now being sold, one group thinking one-third is illegal whisky and another going as high as 44 per cent. Washington tax collections are mounting, a sure sign that bootlegging is less. These wholesalers believe that sales of whisky showed 52 per cent straight whiskies sold to 34 per cent blends.

Distribution is through liquor commissions in Ohio, Maine, New Hampshire, Vermont, Pennsylvania, Iowa, Washington, Oregon, Virginia, Western Virginia and Montana. "On premises" sales appear to be increasing as compared with "off premises" sales. During prohibition all sales were "off premises" sales except in speak-easies. Before prohibition the opposite was the case and the trend seems to be to return toward the pre-prohibition habits.

In Canada there was the same experience. Before prohibition and the later sales through liquor commissions "off premises" sales in Canada were light. Now it is all "off premises" because there is no provision for other sale. In the United States state stores some provision is made for "on premises" sale as well as for sale for drinking elsewhere.

The stock market has apparently anticipated some such results as those shown in this article. The early hopes for quick sale of excess inventories of Walker's have gone. The long view governs the investment situation. Just when dividends may be made is not known but it will not be until the working capital needs for the large market to the South have been well appraised and provided for.

Sherwin-Williams Lowers Price to Beat Cheap Paint

From Our Own Correspondent

MONTREAL.—An immediate reduction in the price of first quality paints has been announced by several of the leading Canadian manufacturers. This has been done not only to encourage the wider use of paint, but also to wean the users away from cheap paints which have flooded the market in recent years. The new price for first quality house paint is $3.75 a gallon, compared with the old rate of $4.65 a gallon.

Among the firms subscribing to this new policy are Canada Paint, International Varnish, Lowe Bros., Martin-Senour and Sherwin-Williams. It is anticipated that other operators will fall in line.

Sherwin Well Represented

From the preliminary announcement it would appear that Sherwin-Williams has initiated the new programme. Of the other four companies signing the announcement, three are controlled by Sherwin-Williams, namely, Martin-Senour, Canada Paint, and International Varnish.

No estimate is to be had how the new policy will affect operations or earnings. The lower price is expected to stimulate consumption, but whether the increase along this line will offset the lower price remains to be seen.

In the fiscal year ended August 31, 1934, Sherwin-Williams, the only company in which there is a public investment interest, reported net earnings from operations of $224,811. This was much better than reported in the two previous years, but still substantially below the average in the period from 1922 to 1930.

Asks Contract Renewal With Winnipeg Power

Edward Anderson, K.C., president of Manitoba Power Corp., has asked the Winnipeg City Council to consider renewal of the contract for the supply of electrical energy to the Winnipeg City Hydro. The city has taken 27,000 h.p. but had planned to take 9,000 h.p. less from September 1, 1935, 9,000 h.p. less on the same date in 1936 and to end the contract in 1937.

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Near's Page-Hersey Stock In Nfld. Holding Company President's Will Indicates

Bulk of $3.3 Millions Estate in International Investments — Existence of Holding Company Makes Unloading Page-Hersey Unnecessary

Of the $3.3 millions estate left by the late William Wallace Near, former president of Page-Hersey Tubes, Ltd., $1.4 millions is in bonds and common stock of International Investments, Ltd., and only $26,500 in 320 shares of Page-Hersey Tubes. The head office of International Investments is in St. John's, Newfoundland, and it is believed to be a personal holding company of the late Mr. Near and possibly some others for stock of Page-Hersey Tubes and for investing undistributed dividends.

Pay Only a Fee

The advantage to be gained by large holders of stocks and bonds by transferring ownership to a Newfoundland holding company is that such companies do not have to pay income taxes in Newfoundland. Many Britishers have availed themselves of that opportunity. The only tax paid by such personal holding companies is thus shown in the following paragraph taken from the Royal Commission report on Newfoundland finances:

"Personal Holding Companies incorporated in Newfoundland for purposes such as investing or trading in bonds, stocks, securities but not doing business with the public in Newfoundland shall pay the following fees:

On capital $250,000 or less .. $50
On the next $750,000 at 10 cents per $1,000 75
On excess over $1 million at 5 cents per $1,000 with maximum tax at .... 250"

Heavy Shareholder

Mr. Near was always understood to be a very heavy holder of the common stock of his own company, Page-Hersey Tubes, Ltd. The stock went up over $140 in 1929 but whether or not chief holders sold much to the public is not known. It is believed, however, that International Investments was created for the purpose of holding the stock. Such a company, if it had its head office in Canada, would pay the full corporation tax but in Newfoundland it has only to pay the maximum fee of $250 instead of the income tax of 12 per cent which is levied on all Newfoundland companies which do business with the public of Newfoundland. That would be a big saving in taxation. All that would be paid by holders of bonds and stocks of companies like International Investments would be on whatever interest was paid and dividends actually paid. Canada also only charges a $100 fee for personal holding companies whose entire assets are held outside Canada and which do not do business for or with the Canadian public.

Tax On Foreign Dividends

At first sight this arrangement means a loss. Dividends of Page-Hersey Tubes are paid after a Dominion Government corporation tax of 13.5 per cent is deducted from net profits but for several years there has been a further 5 per cent deduction from all dividends paid to foreign persons or companies. International Investments was formed before the latter tax was imposed. The only chance for saving is therefore on the further income tax levies which would have been made on Mr. Near personally. If the whole of the Page-Hersey dividends received by International Investments were paid back to Mr. Near and other shareholders they would still have their taxes to pay on the International Investments dividends received. But if International Investments retained most of the dividends and interest received and used it for further investment, there would be nothing to pay on that until in the course of time a dividend was declared.

Page-Hersey Holdings 8½ Per Cent

The will shows Mr. Near to have held $278,208 of International Investments 4 per cent bearer bonds due in November, 1948, and 4,356 shares of $250 common valued at $1,089,000, a total of $1,367,208. Previous to his death Mr. Near had also made a donation or settlement under date of Nov. 1, 1933, of $300,000 International Investments common stock to Mrs. Near. On September 28 he had turned over 1,325 shares of the same company to Robert C. Poskanzer, of Albany, N.Y., and A. W. Holmested, of Toronto, to be held for certain trusts by the donees. Those 1,325 shares at $250 a share are valued at $331,250. Add these and the 320 shares still held directly by Mr. Near and it would appear that he may have controlled directly and indirectly about $2,024,958 in Page-Hersey Tubes common stock.

As there are 174,276 no par value shares of Page-Hersey outstanding, it is probable therefore that Mr. Near owned one-twelfth of the outstanding stock or more than 10 per cent of it before 30,000 preferred shares were exchanged for 60,000 shares common. Other directors, who are believed to have been large shareholders, are A. W. Holmested and Gordon F. Perry, of Toronto, Robert C. Poskanzer, of Albany, N.Y., C. L. Dunbar, of Guelph, H. J. Fuller, of New York City, the late H. C. Scholfield, who succeeded Mr. Near as president for a brief term and Sir Henry M. Pellatt. There were some large shareholders not on the directorate, it is understood.

For probate Mr. Near's Page-Hersey shares were valued at $83, making $26,500 for all held directly. The high point in 1935 has been $88 a share and the low point about $77.

Fear Unloading

This stock is near the low point just now as the market fears unloading from the estates of Mr. Near and Mr. Scholfield. The existence of the personal holding company prevents that necessity as far as Mr. Near is concerned. The same thing may be true of Mr. Scholfield.

The supposition that Mr. Near controlled 8.5 per cent of Page-Hersey Tubes stock is purely surmise. That would be the maximum. He may have transferred many other stocks and bonds, of whose existence the will gives no trace in order to establish his large holdings of International Investments securities. His investments are effectively hidden behind the ownership of bonds and shares of the holding company.

Few Speculative Stocks Retained

The securities held aside from the bonds and stock of International Investments are mainly gilt-edge. Mr. Near's holding of $1.9 millions in bonds included more than $1.5 millions in Dominion Government bonds, mostly maturing in 1937. This does not include $27,000 in Dominion Government bonds given his wife a few years ago. He had 233 shares of Dominion Bank stock valued for probate purposes at $39,144 and 39 shares of Toronto General Trust Corp. valued at $3,900. His estate will get $3,000 from his part in a group insurance policy. Life, accident and sickness insurance totalled $103,973. There are annuity certificates valued at $50,000 and province of Ontario railway certificates valued at $50,973. There is cash in the Dominion Bank in Canada and in New York City of $91,234.

Speculative investments there must have been from time to time but these had been well cleaned up or possibly some of them turned over to International Investments. Mr. Near still held directly at the time of his death 3,000 shares of Arntfield Syndicate bought at 20 cents a share and valued at $4,500, 113 shares of Cities Service Co. shown at $198 and 5 B no par value common shares of International Utilities valued at only $1.87. His 100 shares in the Albany Club and his one share in the Carleton Club are valued at nothing.

The only real estate shown, and valued at $30,000, is the 100-acre Kallisto farm on the 3rd concession of Esquesing township in the county of Halton. His 1934 Buick car is valued at $900. The greatest part of the estate therefore appears to be liquid and revenue-producing. The greater part of it is divided between the widow, Mrs. Susan Near and the sister, Mrs. Winona Stewart, of Renfrew. There are various bequests.

U. S. TRADE PACT NOW MUST WAIT ELECTION RESULT

Release of Correspondence Viewed as Unfavorable Omen

Release of correspondence in connection with reciprocal trade negotiations between Canada and the United States is taken by informed observers at Ottawa to indicate that the government believes there is now no chance of reaching an agreement prior to the general election.

Tourists Help Canada

The Canadian note to the United States pointed to six chief factors influencing the balance of payments between the two countries: commodity trade, interest and dividends, freight payments, tourist expenditures, gold shipments and capital movements. On the first three of these the balance has been heavily against Canada for many years, but has been met by favorable balance on the others. Tourist expenditures have been a most important factor, Canada's net credit balance on this item amounting to as high as $185 million.

Reductions Sought

Canada asked for a 50 per cent reduction in rates on certain natural products, including lumber, fish, potatoes, milk and cream, cattle, a number of other agricultural products and several metallic and nonmetallic minerals. In return, the United States was offered reduced rates on a number of natural products and manufactured articles, although none of these was specifically mentioned in the note.

B. C. Logging Gains

British Columbia produced 1,681,413,000 board feet of logs during the first half of this year, an increase of 200 million feet over the corresponding period last year. The June scale was in excess of 250 million feet, exceeding that of any month this year.

GOODWILL FOUND FOR MR. ABERHART AMONG OPPONENTS

Outsider Discovers Unexpected Spirit Displayed Toward S. C. Leader

From Our Own Correspondent

EDMONTON.—An outsider, attempting to probe the political mind of Alberta at the moment runs into several surprises. He discovers an unexpected degree of equanimity in the province as to the results of the recent election which landed a Social Credit government in power, and a remarkable spirit of good will toward the new premier, William Aberhart, displayed not only by supporters but by opponents of the theory of Social Credit. He discovers a tendency to resent any poking of fun at Alberta for her recent voting and also that the late government had acquired a degree of ill will for which it is somewhat difficult to account.

Two contrary viewpoints lead different groups of citizens to claim that all is well with the province. The out and out believer in Social Credit believes that Mr. Aberhart, with the assistance of Major Douglas, will be able to develop the scheme by which social dividend payments of $25 a month will shortly become available to all citizens of the province. The disbeliever will assure you that of course this is impossible and that the newly-elected government and legislature will discover that to be true as soon as any attempt is made to draw up plans, so no harm will be done.

Doctrine All Wrong?

Another group will profess to believe that the popular doctrine of Social Credit on which Mr. Aberhart was swept into office is all wrong and that the $25 for each adult in the province is only symbolic of the real way in which Social Credit is designed to work. But the claim will be made that some such symbolism was necessary to attract popular sympathy and support, and that any misunderstanding on this score will be forgiven when citizens discover that the new government is bringing them benefits in other ways.

Mr. Aberhart's calm treatment of the run on the provincial savings certificates has met with considerable approval. He has announced that suspension of payments will continue until the provincial savings fund is again built up by new deposits, and a surprising number of people will claim that such a development is not unlikely.

There is a wide degree of personal liking for Mr. Aberhart, even among people who have no great sympathy for his interpretation or his economic doctrines.

His skill in organizing his Calgary supporters, so as to make the most of the proportional representation scheme in Calgary is also admired.

Earnest Effort

Mr. Aberhart is also credited with an earnest effort to organize a strong cabinet, leading portfolios having been offered to prominent men who had no sympathy with his economic doctrines, and this is taken to indicate that if his party discovers its social dividend proposals to be impracticable, he may yet be able to give sound administration to the province.

As to the credit of the province, there is a widespread idea that the Dominion Government must see the provincial treasury through, and advance it whatever money it requires beyond its current revenues.

To an outsider, all this does not seem to fit in with Premier Aberhart's pre-election declarations, or with the more recent declarations that some Social Credit legislation is to be enacted at the next sitting of the legislature, and that the citizens of the province are shortly to be enrolled to facilitate the distribution of Social Credit dividends. The observer can merely report the state of mind he finds, and that while apprehension undoubtedly exists to some extent of troubles ahead, a great many persons believe that Mr. Aberhart will run the province well.

Companies Act Amendments Go Into Effect September 15

Legal and Business Professions Advised to Observe More Strict Requirements of Dominion Legislation—Directors Must Reveal Share Sales

Directors of companies with Dominion incorporation should watch their steps after September 15. That is the date when Bill No. 85, with amendments to the Dominion Companies Act, 1934, goes into effect. It is not nearly so severe as the original amending bill introduced on June 5, but on being assented to on July 5 it still contained some of the clauses which led Premier Bennett on June 21 to exclaim: "There will be a lot of people violating a law who think they are violating none. I have frequently come across directors who were buying shares and thought they were not doing wrong."

The bill does not become effective until September 15 so that the public can become familiar with it. That delay was necessary because a large part of the business population has not yet adjusted itself entirely to the sweeping changes made in the Dominion Companies Act, 1934. So far as annual statements and changes in corporate structure are concerned, most companies will avoid trouble by securing advice from their lawyers and auditors.

Must Reveal Share Sales

The section that caused the Premier's comment was that requiring that each director shall give at each annual meeting a statement of sales and purchases made by himself directly or indirectly for his personal account during the preceding 12 months. He is definitely prohibited from speculating in the shares of his company. The penalty for neglect of these provisions or for an untrue statement is $1,000 fine or six months imprisonment, or both.

Every director should get a full understanding of the clause enacting that the consideration for fully paid par value shares shall be cash or the fair equivalent of cash. Too often in the booming '20's, shares were issued for insufficient consideration and sometimes for a mere bagatelle. The legislators do not want that to happen again but the suggested remedy of making directors responsible if consideration should later be found inadequate, caused a great deal of concern to Hon. C. H. Cahan, Premier Bennett, Hon. Mr. Ralston, Mr. Illsley, Senator Meighen, Senator Dandurand and others who took a great interest in this legislation.

Adequate Consideration

Stock issued for cash to the full amount occasioned no concern. There could be no comeback there but stock issued for assets, services or intangibles might easily be construed later as issued for an inadequate equivalent if things went wrong. Eventually it was decided to word the clause thus "....payable in cash to the total nominal amount of the shares so issued, or for such consideration payable in property or services as the directors may determine by express resolution to be in all the circumstances of the transaction the fair equivalent of cash to the total nominal amount of the shares proposed to be issued."

That in itself offers no protection to directors against future criticism or suit by those who will not understand "the circumstances of the transaction" but the following words offer a way to provide against such future contingency: "provided that the directors may apply to a judge for a declaratory order with relation to the consideration . . . " The consideration would then be established as fair and it seems likely that those who are careful of their names will take advantage of this clause. This refers to par value stock only.

The time in which creditors, directors or shareholders can take suit against directors to make good any inadequacy in consideration for shares issued has been limited to three years. With the bill as it stands there would have to be negligence established on the part of the directors and it would also have to be proved that they "knew" the consideration was inadequate. The one instituting the suit would also have to get consent of the secretary of state. Mining companies are excepted and boards getting a declaratory order early in the game would be safe.

Illegal Dividend Declarations

Directors know as a rule that they should not declare any dividend that renders a company insolvent or during the time a company is insolvent or even when it impairs the capital of the company. It is well that they should give careful attention to the words added in 1935. It is provided that, in determining impairment of capital, no account shall be taken of any increase in the surplus or reserves of the company resulting merely from "the writing up of values of the assets of the company" unless the dividend is declared more than five years after such writing up.

New directors elected at the first general meeting of a company would do well to think over the clause making them responsible for "all business transacted as a board of directors by the first directors of the company."

Must Not Hide Insolvency

Officers of a company also have a direct responsibility to inform directors of any substantial impairment of capital. If the directors think the impairment is sufficient to render the company insolvent a general meeting of shareholders "shall be called immediately" in order to make full disclosure.

Must Not Exceed Powers

Other points which are featured in the amendments to the Companies Act are as follows:

First, incorporation "shall be limited to the purposes and objects which it is intended the company shall pursue." If a company goes too far afield from those purposes it may even be wound up if the Secretary of State thinks the matter serious enough.

Second, in case of no par stock, directors "may not transfer amounts from capital account to distributable surplus except at the time of first issue when 25 per cent of consideration may be set aside for distributable surplus or whatever surplus is brought in with a new company taken over." But capital consideration itself cannot be tampered with unless there are other provisions in the letters patent or by-laws of the company.

Third, no management shares can be issued although preferential voting rights can be accorded preferred stock "in a stated event only";

Fourth, the definition of underwriter now includes "any person who, to the knowledge of the company, proposes to subscribe for securities of the company with a view to re-sale to the public of those securities" as well as those who are direct agents of the company. Debate made it apparent that lawyers of experience in House of Commons and Senate believe it would be easy for anyone desiring to do so to devise methods of avoiding the prospectus requirements of the Act, whatever clauses are passed;

Fifth, the prospectus must declare the amount set aside as distributable surplus.

Sixth, each share of stock issued and allotted is entitled to vote, subject to by-laws of the company.

Seventh, more information is required in financial statements about debts to the company of directors, officers and shareholders, the current or non-current proportion of debts, the real value of inventories, how fixed assets were valued, indirect and contingent liabilities, detailed totals for depreciation, depletion and obsolescence reserves, and amounts paid to directors and chief officers separately.

Eighth, debenture holders have a right to ask and obtain financial statements.

Turns First Sod

JOHN D. MANSFIELD

President of Chrysler Corp. of Canada, turns the first sod for the new $350,000 addition to the Chrysler plant at Windsor. The contract was let to Carter-Halls-Aldinger Co., of Winnipeg.

Canada Issues Ultimatum Regarding Japanese Trade

The trade war with Japan continues. The latest move is an ultimatum from Premier R. B. Bennett to the effect that unless Japan's surtax of 50 per cent on Canadian goods is removed, Canada will terminate the commercial treaty concluded in 1913. No date on which such action would be taken was named, however.

Informed opinion at Ottawa considers that it is improbable that Japan will back down in view of possible changes in fiscal policy after the election.

Canadian Statistician Is Loaned to Palestine

S. A. Cudmore of the Dominion Bureau of Statistics, has been loaned for three years to the government of Palestine. He will take charge of and organize in that country a bureau of statistics on the same principle and practice as the Canadian bureau. He leaves for Palestine early in October.

Mr. Cudmore, a former Brampton newspaperman, is an honor graduate of University of Toronto and Oxford. For several years he was a professor of economics at Toronto and fifteen years ago was appointed editor of the Canada Year Book and chief of the general statistics branch of the bureau.

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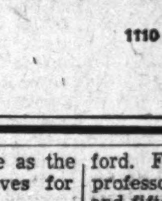

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HEAD OFFICE : OTTAWA
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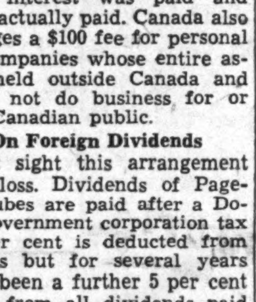

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A review of your Will with one of our Trusts Officers may reveal a need for revisions that will be in the best interests of beneficiaries.

The CANADA TRUST COMPANY
London Toronto Hamilton Windsor
St. Thomas Chatham Winnipeg Regina
Edmonton Vancouver Victoria

Bank Chat

Fodder For Notes

CHANGING fashions in male attire is proving somewhat of a problem to British banking authorities. This does not necessarily mean that the gentlemen concerned are models of sartorial elegance, but merely that a preference for striped and colored shirts carries with it the necessity of looking elsewhere for raw materials with which to make bank notes.

It used to be, back in the days when pure white was in flower, that the supply of discarded shirts, nightshirts and what-have-you was more than sufficient to provide the pure linen rags from which bank note paper is made and watermarked. Now it is necessary to import from France, where gentlemen still prefer the unadulterated "blanc."

There is only one location in all England, the River Test, where the water is just right for mixing with the discarded linens.

The little village of Laverstoke, through which this river flows, has supplied the Bank of England with all its paper for more than two hundred years. The customary English hospitality is waived in this particular spot, where every wage-earner is employed by the paper mill; visitors are not welcomed.

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Weird and Weirder

WEIRD as the "social credit" scheme of Alberta's William Aberhart seems to bankers, it is little less weird than a rumor which went the rounds in Edmonton about ten days ago. Mr. Aberhart was embarrassed for lack of funds with which to meet immediate obligations of the Alberta treasury. Where was he going to get them? A story was circulated that one of the largest Canadian banks, some London financial house, and Henry Ford had offered to finance the Aberhart government.

Bank officials consulted by The Financial Post promptly concurred with this paper in labelling the rumor "fantastic." In this respect, the rumor seems to have been a legitimate offspring of the Aberhart "social credit" scheme.

• • •

Prices on Loans

MANY of the loans which banks haven't got would be adding to revenues if prices were higher. So contends the Bank of Commerce in its September letter. Commercial loans are down 37 per cent from 1929; prices are down 25 per cent. In view of the correlation between the two factors, most of our missing loans can be accounted for. For instance, a manufacturer whose raw material prices have dropped 25 per cent will now require only three-quarters of his pre-depression borrowings.

A most startling development has been the failure of bank advances to rise, not only in Canada but throughout the world generally, despite some measure of business recovery over the past two years. It would appear that business concerns have financed recovery from their own accumulated funds. In this regard the bank strikes out smartly at those who are responsible for the belief that banks are willing to lend in exceptional cases only, and even then on most exorbitant terms.

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A Printer's Paradise

ENGLAND'S solution to the counterfeiting problem has worked out very well. The key she used was in introducing and retiring notes so rapidly that the would-be counterfeiter is not given a chance. The only way a Bank of England note emerges after it is once presented at a bank is as waste. It is returned to the mill where it is chewed up and used as the material for new notes.

The chances are that merchants will deposit notes each day, when the teller's keen eye will detect "phonies." And it is quite probable that the merchant will still recall the donor of the bill in question.

Another preventive measure is the practice of requiring customers who present notes of £5 and over to endorse the bill. It is said that a note rarely gathers more than two signatures before being turned in.

• • •

Staff Changes

The Bank of Nova Scotia has announced the following appointments:

P. MARSHALL to be manager at Spanish Town, Jamaica.

E. D. BLAIR to be accountant at Charlottetown.

Public Utility Earnings

B. C. Power Corp.

July:	1935 $	1934 $	Increase $
Gross earn.	1,091,146	1,018,466	72,680
Oper. exp.	760,239	702,253	57,986
Net earn.	330,907	316,213	14,694

Mexico Tramways Co.

July:	1935 $	1934 $	Increase $
Gross earn.	664,112	693,561	*29,449
Oper exp. & deprec.	480,271	463,636	16,635
Net earn.	183,841	229,925	*46,084
Seven Mos. end. July 31:			
Gross earn.	4,461,814	4,875,780	*413,966
Oper. exp. & deprec.	3,198,950	3,342,767	*143,817
Net earn.	1,262,864	1,741,819	*478,955

*Decrease.

Government, Municipal, Public Utility and Industrial Bonds

•

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Central Bank Allies

Co-operation of National Banks of Issue Needed To Smooth Out Fluctuations in Business Activity

From Report of Bank for International Settlements, Basle.

The first object of the Bank for International Settlements, as defined by its statutes, is "to promote the co-operation of central banks."

Unanimity in the appeal to collaborate is not limited to the exhortations of economists or to the utterances of political leaders. Its reality and practical necessity are attested by the fact that central bankers have themselves reached the conclusion that mutual co-operation is pre-requisite to the successful discharge of their functions within their home markets; that it is indispensable in ameliorating their relations with external markets; and that it is an absolute condition precedent to the maintenance and smooth working of a stable international monetary standard, when restored.

The time has come to attempt to state what is comprised in the abstract term "central bank co-operation."

Why central bank collaboration? Collaboration about what? With what objectives in view? How?

Financial Aid

For many, central bank co-operation means only financial assistance. It brings to mind the extensive series of credits granted by banks of issue to other central banks at the time of the post-war resumption of the gold standard. It recalls the large advances extended at the time of the international credit break-down of 1931 to the national banks of Austria and Hungary, the Reichsbank, and later, among others, to the Bank of England also.

The history of inter-bank aid of this character is an old one; instances occurred at the time of the Baring crisis, for example, and as early as 1839, when acceptance credits were extended by Paris to the London market. While, however, this type of financial aid is a spectacular evidence of central bank inter-relationship, nevertheless these exceptional measures, though useful, do not constitute the real kernel of central bank collaboration, which is or should be evident in continuous and daily practice rather than as an emergency manifestation.

Why Collaborate?

Why central bank collaboration? The essential task of every central bank is substantially the same, namely, to regulate the volume of credit and currency with a view to lessening pronounced fluctuations in business activity, and to follow a policy designed to maintain fundamental equilibrium in the balance of payments in order to preserve some pre-agreed degree of stability in the international value of its national money, thereby facilitating trade and desirable capital movements from and to the country concerned. In other words, central banks (like national public health services) have a community of similar technical interests — often amounting to an identity of interests—and it is manifest that these may best be maintained by working in recognized but independent unison rather than in ignorant isolation or unconscious antagonism.

A central bank, if for no other reason than that its currency has and must have an international valuation and because its domestic policy is subject to counter-influences from abroad, necessarily operates in a world larger than the merely domestic sphere. Its viewpoint must face outward as well as inward if it is adequately to discharge its essential functions. Because the financial fabrics in one country quickly respond to events in another, and since economic booms and depressions tend to be international in character, the efforts of a central bank in trying, through its credit policy, to help maintain more stable business conditions at home and to protect the external value of its money may be rendered difficult, or thwarted, by the policy and action of a neighboring central bank. Far-seeing self-interest demands that banks of issue endeavor to work along parallel lines in the fulfillment of their independent duties. But if there be no concert at all, then by inadvertence or ignorance one central bank may neutralize the efforts of another and, through acting in isolation instead of in harmony, may disturb the monetary peace of the world, thereby setting in motion forces which will return to plague the originator.

Subjects for Collaboration

The subjects for collaboration are manifold. They increase in number and change in character with the progressive development of monetary and economic events. New incidents in the world's financial history open up fresh occasions for co-operation in dealing with the world-wide problems which directly affect every market.

Among the matters about which central banks can most helpfully collaborate are the following:

(a) To evolve a common body of monetary doctrine and assure the widest possible measure of common agreement on monetary theory, problems and practice, including agreement upon what the international standard is to be and how to maintain it. This is sometimes called "the rules of the game" and agreeing how to work and how to amend them in accordance with the lessons of applied experience.

(b) To comprehend by interchange of information and counsel the difficulties which confront one's neighbor as well as oneself, and thus to perceive the true motives and necessities for the lines of conduct respectively followed. The beginning of understanding in international affairs, whether in the political arena or in the economic and financial field, is the knowledge based on patient examinations and sympathetic consideration of why the other nation adopts the measures which it does.

Avoiding Friction

(c) To learn how to avoid doing harm to one another, especially when one central bank is operating in the market of a neighbor. One aim of each central bank should be to endeavor not to render more difficult the control by another central bank of its own market. A practical method of reaching this mutually desirable end is the establishment of reciprocal banking, business and personal relations with one another.

(d) To gather and exchange data and information of a monetary and economic character, domestic and foreign, thus helping to form a basis of judgment in guiding credit policy and deciding the proper course of conduct. The satisfactory discharge of a central bank's functions demands a sound estimation of business developments which can be had only as the result of continous study of the widest available financial and economic statistics and material.

Important Information

In one vital particular, among many, is such information indispensable, i.e., with respect to the volume, movement and location of short-term balances and short-term foreign credits in general. It is highly desirable that the Bank for International Settlements should develop as an international centre for the collection and interpretation of information about the movements of international short-term credits and indebtedness supplied to it by individual central banks. Some progress has already been made in this direction.

(e) To improve inter-central bank practice in such technical matters as agreement upon the standard of gold bars to be universally accepted, arrangements for ear-marking, cross-earmarking and handling gold operations . . . and the creation of facilities for the secure investment and the rapid mobilization of funds of one central bank held by another.

(f) To be prepared to exchange technical counsel when needed with respect to the creation of new central banks or with regard to alteration in the statutes of existing central banks, including a readiness to supply experienced technicians to assist central banks at the time of their organization or in their studies, by the proposal of qualified advisers or by the mutual exchange for a period of members of the respective statistical and economic departments.

Assisting Younger Banks

(g) To assist smaller and newer central banks in their efforts to follow a sound credit and financial policy and to maintain the international value of their local currency, by encouragement, contact, and counsel on the part of the larger or longer established banks of issue. Moral assistance of this character should also be given material expression, where requisite, by extending seasonal rediscount facilities to such banks, and other special advances, preferably through the Bank for International Settlements, and in addition, by providing safe methods for the remunerative investment of a portion of their reserves with other central banks or with the Bank for International Settlements.

(h) To concert together in eliminating the demonstrated defects of what was erroneously called "the gold exchange standard," and to improve the future working on a restricted, controlled and centralized basis of the system of foreign currency reserves of central banks—a system especially suitable to certain types of national economies. The gross abuses of this standard in the past were largely due to the fact that certain economies which did not require the system employed it on an excessively large scale. And they were due, further, to the failure of central banks employing the system to co-operate with the central banks of the markets where the foreign exchange was held, as well as the failure on the part of the central banks in those markets to have a co-ordinated policy between one another or with the depositing central banks.

The London Conference requested the Bank for International Settlements to study the necessary modifications in the future operation of the system of foreign exchange reserves, with a view to the correction of its revealed shortcomings. Only when effective progress is made in the international reinstatement of the gold standard itself, will it be possible to deal definitely with the subordinate but important topic of an improvement in the handling and control of supplemental foreign exchange reserves—a question upon which preliminary studies have already been undertaken.

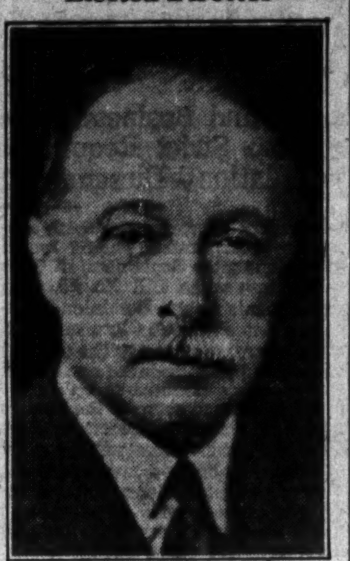
Monthly Bank Clearings

	August, 1934	August, 1935
Halifax	$8,796,673	$9,374,771
Saint John	7,671,385	7,639,148
Moncton	2,760,534	2,937,941
Sherbrooke	2,203,123	2,402,922
Quebec	16,620,901	7,639,148
Montreal	347,103,214	357,951,235
Ottawa	17,443,374	74,554,883
Kingston	2,199,564	2,176,370
Peterborough	2,370,324	2,425,627
Toronto	420,443,023	423,838,550
Hamilton	14,487,464	15,556,196
Kitchener	3,938,620	4,015,230
Brantford	3,033,157	3,122,413
London	9,653,263	10,620,628
Chatham	1,646,012	1,530,233
Windsor	8,225,541	8,479,541
Sarnia	1,617,121	1,951,921
Sudbury	3,193,700	3,250,056
Fort William	3,018,875	2,796,549
Winnipeg	277,612,108	....
Brandon	1,224,832	1,232,610
Regina	13,191,797	14,822,730
Moose Jaw	1,885,426	2,228,177
Saskatoon	5,341,674	6,077,854
Prince Albert	1,130,043	1,404,210
Edmonton	15,102,665	15,626,745
Calgary	20,856,226	22,204,103
Lethbridge	1,773,061	1,925,561
New Westminster	2,240,942	6,722,328
Vancouver	66,890,499	69,472,336
Victoria	5,963,682	6,722,328

Weekly Bank Clearings

	Sept. 5 1935 $	Change year ago %	Aug. 29 1935 $
Halifax	2,179,680	+5.0	1,975,765
Saint John	1,492,214	—3.1	1,822,248
Moncton	628,188	+3.9	724,766
Sherbrooke	577,726	+7.2	455,945
Quebec	3,760,519	—5.9	3,348,875
Montreal	95,259,728	+9.8	70,473,685
Ottawa	15,162,293	+318.8	12,591,532
Kingston	494,691	—4.1	415,783
Peterborough	556,598	—1.5	468,296
Toronto	106,464,826	—11.4	82,592,254
Hamilton	3,488,296	+3.2	3,061,244
Kitchener	837,347	+.05	940,613
Brantford	659,080	+6.7	600,364
London	2,407,781	+14.5	2,271,795
Chatham	344,984	—.07	335,688
Windsor	2,112,030	+36.8	1,911,102
Sarnia	388,047	—3.9	373,598
Sudbury	689,013	+5.8	779,003
Fort William	548,465	—15.6	484,317
Winnipeg	61,215,568	+37.9	50,433,062
Brandon	291,241	—15.5	238,298
Regina	3,584,350	—28.3	2,462,852
Moose Jaw	571,632	+21.6	415,218
Saskatoon	1,368,349	+5.9	1,111,381
Prince Albert	296,703	+3.3	273,463
Edmonton	3,663,924	+1.4	3,379,939
Calgary	5,158,850	—2.8	4,905,464
Medicine Hat	296,137	+17.9	254,849
Lethbridge	....	.....	428,356
N. W'minster	583,960	+20.2	462,444
Vancouver	16,782,625	+26.9	12,315,069
Victoria	1,535,765	+13.6	1,301,423

Elected Director



AIME GEOFFRION, B.C.L., K.C., D.C.L.

Of Messrs. Geoffrion and Prud'homme, advocates, of Montreal, who has been elected a director of National Trust Co.

Bank of Canada Weekly Statement

A decline of $6 millions in government deposits was more than offset by an increase of almost $9 millions in deposits of the chartered banks. These, with a further increase in note circulation, which has been moving gradually upward for the past three months, featured the changes in liabilities of the Bank of Canada last week. On the other hand the increase in short term investments was carried another notch and reserves abroad were strengthened.

Balance Sheet

Weeks Ending:	Sept. 4 $	Aug. 28 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	81,664,434	79,912,717
Dep.: Dominion	19,962,529	25,893,068
Banks	192,540,059	182,738,194
Other	599,183	593,703
Total deposits	213,161,771	210,204,966
All other liabs.	1,435,163	858,851
Total liabilities	301,201,368	295,976,536
Assets		
Reserve: Gold	180,159,107	180,191,154
Silver bullion	1,372,910	1,330,395
Res. in sterling	1,374,365	705,472
Res. in U. S.	8,594,593	6,602,929
Res. elsewhere	8,771	8,771
Total reserve	191,509,748	188,838,722
Subsidiary coin	286,197	290,510
Adv. to govt.	1,242,812	1,246,875
Investments:		
Dom. govt. short	24,178,880	22,324,920
Other Dom. govt.	80,293,115	80,293,115
Total invest.	104,471,995	102,618,035
Premises	119,835	119,683
All other assets	3,570,781	2,862,712
Total assets	301,201,368	295,976,536
Reserve ratio	64.97%	65.09%

Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Sept. 3	Sept. 4	Sept. 5	Sept. 6	Sept. 7	Sept. 9
U. S. dollar, High	.5906	1.00½	1.00 15/32	1.00 15/32	1.00 11/32	1.00 9/32	1.00 7/32
Low	.5906	1.00 7/16	1.00 15/32	1.00 7/16	1.00¼	1.00 7/32	1.00 3/16
1934, High	.5906	......	.97 5/16	.97⅝	.97½	.97⅝	......
Low	.5906	......	.97 5/16	.97⅜	.97¼	.97 7/32	......
U. K. pound	4.8665	4.97¾	4.97	4.96	4.94½	4.94	4.94½
Argentina	.4246	.2698	.2701	.2700	.2698	.2686	......
Australia	4.8665	3.9749	3.9691	3.9649	3.9524	3.9437	3.9487
Austria	.1407	.1908½	.1909	.1906½	.1904¾	.1904	.1899
Belgium	.1392	.1689¼	.1688	.1687¾	.1686	.1685½	.1683½
Brazil	.1963	.0531¾	.0542	.0541¾	.0541	.0541	.0541
Czechoslovakia	.0296	.0415½	.0415¾	.0415½	.0415	.0415	.0415
Denmark	.2680	.2222	.2220	.2215½	.2210	.2204¾	.2207¾
France	.0392	.0662½	.0662	.0661¾	.0660¾	.0660½	.0660¾
Germany	.2382	.4038¾	.4038	.4045¾	.4032	.4031¾	.4031¾
Greece	.013	.0095½	.0094¾	.0094¾	.0094⅝	.0094½	.0094½
Holland	.4020	.6794	.6791	.6786	.6779	.6772¾	.6774¾
Hungary	.1749	.2980	.2981	.2980	.2972	.2971	.2971½
India	.3650	3793	.3792	.3782	.3779	.3771	.3768
Italy	.0526	.0818¾	.0818	.0816¾	.0816	.0815¾	.0816
Japan	.4985	.2945	.2943	.2928	.2917	.2909	.2911
Jugoslavia	.1929	.0230	.0230	.0230	.0229½	.0229½	.0229½
New Zealand	4.8665	4.0150	4.0091	4.0049	3.9924	3.9835	3.9885
Norway	.2680	.2501½	.2500	.2494½	.2487	.2481	.2484
Poland	.1122	.1907	.1908	.1905	.1904	.1902	.1896
South Africa	4.8666	4.9537	4.9465	4.9418	4.9256	4.9148	4.9210
Spain	.1929	.1373	.1372½	.1371½	.1370	.1369½	.1369½
Sweden	.2680	.2567¾	.2564½	.2560	.2554	.2547½	.2550½
Switzerland	.1930	.3271	.3270	.3267	.3264	.3260	.3260
Hong Kong	.5422	.5007	.4983½	.4957	.4967	.4996	.4970¾

WINNIPEG HYDRO NET LOSS IN 1934 REACHES $301,910

Deficits Accumulate During Depression — Rate War On

Hydro Electric System of the City of Winnipeg had a net loss for 1934 of $301,910, bringing the system's total revenue deficit up to $615,523.

These deficits have been accumulated mainly during the depression. To the end of 1932 there had only been three deficits in the system's history: $83,000 in 1913; $27,277 in 1921; and $312,000 in 1932. In 1929 the surplus was $288,838 and its sum of surpluses over the years was nearly $2 millions. The Slave Falls power enterprise had some effect on the situation, adding to fixed charges and causing a rate war with a private group. Thus Winnipeg rates are the lowest in Canada. Critics say they are below cost. Revenue surplus at the end of 1929 was $651,761.

Gross Reached $3.4 Millions

Total revenue in 1934 was $3.4 millions and total operating charges $1.5 millions. All debt charges for interest, sinking fund, depreciation and bond discount totalled $2.2 millions.

Of the $3.4 millions revenue, $1.5 millions came from domestic lighting, heating and cooking, $1 million from commercial light, heat and power and $198,663 from supplying the city's needs in lighting, heating, power and street lighting and water works pumping. An amount of $106,320 was received for peak power for the steam heating system and $72,489 for sundry amounts. Interest on reserves and other funds amounted to $485,215.

Power purchased cost $472,870. Generation expenses were $274,984, transmission $38,381, distribution $241,868, commercial expenses $262,868, administration and general $114,531, taxes $86,959 and pension fund $21,820.

There were small losses on appliance sales and repairs and on the investment in apartment block ranges and stores although the garage showed a small credit of $3,255. There would have been a small credit on all these except for debt charges and taxes.

The provision for the sinking fund was $513,122. There was a write-off for additional depreciation of $301,969 and amortization of bond discount of $27,027. Interest was $1.4 millions, leaving a loss of $301,910.

Working Capital Deficit

The Hydro Electric System for 1934 showed total current assets of $856,229 and total current liabilities of $1.5 millions. The working capital deficit, therefore, as compared with a surplus of $1.5 millions in 1929, exceeded $600,000. There was a bank overdraft of $919,697, accounts payable of $188,468 and accrued interest on funded debts of $361,193.

The capital account stands at $26.9 millions against which there is a funded debt of $25.9 millions.

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Securities may be purchased readily and satisfactorily by mail. Our correspondence department is equipped to efficiently assist in your investment problems.

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Correspondence is invited.

Wood, Gundy & Company Limited

Toronto, Montreal, Winnipeg, London, Eng. — 36 King Street West, Toronto — TELEPHONE: ELGIN 4321 — Ottawa, Hamilton, Vancouver, London, Ont.

Galvanized Sheets

The production of galvanized sheets in Canada during the months of April, May and June amounted to 11,811 short tons. In the previous quarter the output was reported at 5,945 tons and in the corresponding period a year ago at 13,311 tons.

DUNCANSON, WHITE & CO.

STOCK AND BOND BROKERS

Members:
Toronto Stock Exchange
Canadian Commodity Exchange, Inc.
New York Curb (*Associate*)

5th Floor, 15 King Street West Toronto

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Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
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Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
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2 EXTRA CORD PLIES UNDER THE TREAD —at NO EXTRA COST

GET the most for your money—buy the new Firestone High Speed—the tire that gives you 50% more non-skid mileage—*at no extra cost*. Only in Firestone can you get all these extra features:

1 Gum-Dipped Cords—every fibre, strand and cord welded together with pure rubber.

2 Two Extra Cord Plies under the tread eliminate blowouts, punctures and loose treads—makes the tire safe at any speed.

3 New safety tread made wider, deeper and tougher—25% added non-skid efficiency.

IT really doesn't pay to take chances with ordinary tires when you can get all the Firestone extra values for the same money. And remember, Firestone tires are guaranteed for one year against blowouts, cuts, bruises and other road hazards.

Firestone High Speed TIRES

BENNETT SCHEME TO CUT INTEREST WEAKENS BONDS

Government Issues Soft and Quotations Erratic

Rt. Hon. R. B. Bennett threw a shock into Canadian bond markets early this week with his proposal to reduce interest rates on government bonds by conversion of outstanding domestic issues.

Prices for government bonds softened immediately and for a time quotations were of a nominal character. While it is still felt that Mr. Bennett may have less than an even chance of being victorious at the polls, financial men suspect that some other political leader may propose the same scheme.

Westerns Vary

Western provincial issues showed some recovery from the Social Credit scare in the week. Quotations were marked up without much business being done. There was a relapse after Mr. Bennett's radio address on Sept. 9. This is indicated below:

Western Provincial Bond Bid Prices

	Sept. 10	Sept. 9	Sept. 3
Alta. 6% '47	98	99	97
B.C. 6% '47	103	103	101½
Man. 6% '47	105½	106	106
Sask. 6% '52	104	106	105

Corporation bonds held their ground despite the weakness of gilt-edged issues. The market for government bonds bore the brunt of the blow as shown in The Financial Post's daily averages. Further adjustments in prices are expected because of the erratic nature of prices quotations following Mr. Bennett's disturbance. The averages follow:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Sept. 10	3.680	111.04	Sept. 10	3.734	111.12
Sept. 9	3.629	111.71	Sept. 8	3.736	111.10
Sept. 7	3.634	111.68	Sept. 7	3.737	111.07
Sept. 6	3.634	111.68	Sept. 6	3.733	111.12
Sept. 5	3.634	111.68	Sept. 5	3.739	111.05
Sept. 4	3.637	111.64	Sept. 4	3.734	111.07
Sept. 3	3.640	111.61	Sept. 1	3.740	111.03
Aug. 1	3.480	113.11	Aug. 1	3.806	110.46
Year's	3.367	114.97	Year's	3.373	115.00
Range	3.680	111.04	Range	4.517	102.54

SUGGESTS LIMITING TERM "STOCKBROKER"

Exchange Auditor Would Have Use Confined to Exchange Members

From Our Own Correspondent

MONTREAL.—Limitation of the name "stock broker" to member firms of recognized Canadian stock exchanges was urged by W. R. Dunton, C.A., of Montreal, consulting auditor to the Montreal Stock Exchange and the Montreal Curb Market, before the annual meeting of the Dominion Association of Chartered Accountants at Winnipeg.

All Canadian exchanges, Mr. Dunton suggested, should consider having limited, by statute, the appellation "stock broker" to members of the exchanges. "At present," he said, "any person with a little capital and no experience can open an office and call himself a 'stock broker.' In the past many of these people have robbed the public time and again under the name of 'stock brokers' and the reputation of member firms have been besmirched thereby. Members of our exchanges are, by their regulation and practice, what the name implies, namely 'stock brokers': that is, they act as agents, buying and selling on commission, whereas, those other people are in most cases not 'stock brokers' but 'stock dealers': that is, they buy and sell securities on their own account, either directly or indirectly."

L. P. Saint-Jean Elected To J. S. Mitchell Board

From Our Own Correspondent

MONTREAL. — Louis Philippe Saint-Jean, of Sherbrooke, who has been connected with J. S. Mitchell & Co., for the past twenty-five years, has been elected a director of the company. The board of directors now includes John C. Newman, president; George W. Murphy, vice-president; Hon. Gordon W. Scott, Colin W. Webster, Albert C. Stevens, Winfield P. Rapley and L. P. Saint-Jean.

Bond Redemptions

For sinking fund: ‡$65,000. *$62,600. •$23,900.

Stock Issues: Bond Issues:	Rate Rate	Stock Year	Date Date	Price Price
Belding-Cort.	5%	1936	Nov. 1	105
Can. Cons. Felt ..	‡6%	1940	Oct. 1	105
G. T. R.	7%	1940	Oct. 1	▪102½
Nat. Cement	7%	serial	Nov. 1	102
Dom. Canners ...	*6%	1940	Oct. 1	110
Amer. Salesbook .	6%	1939	Oct. 1	102½
Can. N. Rlys. ...	4½%	1954	Sept. 15	102
Ont. Steel Prod.	•6%	1943	Dec. 1	110
Cumberland Rly. & Coal	5%	1940	Sept. 19	...
Duke-Price Pw. ..	6%	1966	Sept. 23	▴105½
Inter. Milling ..	7%	Pref.	Oct. 15	*110
Do.	6%	A Pref.	Oct. 15	†107

*Plus accrued dividends of 88 cents per share.

†Plus accrued dividends of 75 cents per share.

▴Tenders not to exceed this price.

▪Payable in N. Y. funds.

BONDS FOR SALE

Sealed tenders for the purchase of instalment debentures of the City of Kitchener in the total sum of $361,302.10 will be received by the undersigned until four oclock in the afternoon of the 18th day of September, 1935, at the City Hall, Kitchener. For particulars phone or wire

L. M. DAHMER, City Treasurer, Kitchener, Ontario.

Investment Notes

Shorts Provide Cushion

GROWTH of the total short interest on the New York Stock Exchange to nearly 1,000,000 shares represents an increase of nearly 13 per cent in August. The sellers have a substantial amount of buying to do in trading where there has been little sign of necessitous liquidation.

Expansion of the short interest indicates a professional skepticism of the validity of recent advances, since amateurs are not strong on selling securities they don't hold. Perhaps the large short interest accounts for the comparative mildness of reactions that have occurred in Wall Street.

In so far as potential buying by shorts provides a cushion for incidental selling, it is helpful to Canadian as well as American security markets. In absorbing Wall Street liquidation, New York's shorts may provide an unintended absorption for selling which might otherwise be felt in Canada.

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Sold Out Bulls

PERHAPS unfortunately, short selling has never been a major factor in Canadian stock dealings. Hence, when liquidation develops here, buying is sometimes limited to orders standing on brokers' books. These orders often come from investors who have sold out below the peak of a market movement.

The saying is: "There's no bear like a sold-out bull." Having parted with holdings, the investor regrets a subsequent rise and decides to buy back, but usually below the market. In placing below-market orders, the Canadian bull acts like a short who must purchase to cover a previous sale. Only the sold-out bull doesn't have to buy. And he's quick to cancel an order in the hope, often false, that he will be able to buy still cheaper.

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C. W. Lindsay

FIRST preferred stock of C. W. Lindsay Co., distributors of musical instruments and electrical appliances in Quebec and Eastern Ontario, was $16.25 a share in arrears at the beginning of this month. Dividends were initiated on the preferred stock by the company on June 1, 1928, and were paid regularly to and including March 1, 1933. It was stated in error in the story on C. W. Lindsay Co., appearing in last week's issue of The Financial Post, that the preferred stock was $22 a share in arrears.

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Quebec Pulp

FIRST reports that Quebec Pulp and Paper Corp. had suffered a loss of some $500,000 through the destruction of the Chicoutimi plant by fire, were somewhat exaggerated. The principal loss suffered by the company was the destruction of a large building, but as reserves had been set up in other years for fire and other contingencies, it is understood that the loss occasioned by the fire will not make a grave difference in the company's balance sheet position. The Chicoutimi plants had been inoperative for some years, so that there was no loss occasioned by hold-up in operations, etc.

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Western Grocers Dividend

PAYMENT of four regular quarterly dividends of 50 cents a share on the common stock of Western Grocers Ltd. is taken to indicate that the company's business has been well maintained this year. These 1935 dividends are the first payments since 1927. In 1934, the company earned $4.02 a share on the common stock, compared with $2.51 in 1933. In 1930, 1931 and 1932, total earnings on the common amounted to only a few cents a share. The preferred dividend is apparently being covered by a comfortable margin.

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Foreign Power Securities

REVENUES from investments of Foreign Power Securities Corp. have not improved over the past year, owing to further reductions in dividends on some of the company's utility holdings in France. The principal producing companies, in which Foreign Power is interested, record increase in power output, but monetary and economic problems of the country were intensified and security values as a consequence depreciated still further. In the fiscal year ended Oct. 31, 1934, the company reported net earnings of $256,931, which was nearly $14,000 in excess of interest requirements. This was a somewhat better showing than made in the previous year, but still unsatisfactory. The balance sheet as at October 31, last, showed investments had a book value of slightly over $11 millions, as against a market value of $4.8 millions.

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Can. General Electric

WITHOUT opinionating on share prices, A. E. Ames & Co., Toronto, summarizes the record of one leading Canadian company in each monthly letter. This month Canadian General Electric Co. is the subject. Comment: "The financial accounts in recent years give ample evidence of prudent administration."

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Views on Distillers

ALL its 4,500 shares of Hiram Walker-G. & W. common were sold in the six months ended June 30, 1935, by Blue Ridge Corp., U.S. investment trust. The trust apparently dislikes distillery shares. It sold all its 2,500 shares of National Distillers and 200 shares of Industrial Alcohol.

Shawmut Association, however, in the first six months of this year held the opposite view and bought 2,000 shares each of National Distillers and Schenley.

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Pete Statement in November

INTERNATIONAL Petroleum annual financial statement is not expected before late in November. It is expected that it will be for the year ended June 30, 1935. Under the Dominion Companies Act a company which has most of its operations in foreign countries, can have six months before the statement is published while domestic companies are given four months.

Two or three months ago a story that Creole Petroleum and International Petroleum Co. were to be amalgamated went the rounds of brokerage offices. It was then authoritatively denied. It was revived a week ago but is again denied in official circles where it is said that the matter has never even been considered.

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Page-Hersey President

PAGE-Hersey Tubes, Ltd. has been in bad luck in losing in such a short time two presidents, both of whom dated their connection with the company from its outset.

The company's stock has been of such continuing market interest that investors have been studying the list of directors with the idea of guessing who may next be president. Many believe H. Rooke may be chosen, the main doubt on the matter being occasioned by the fact that he was only elected vice-president on July 24.

Another name currently mentioned is that of C. L. Dunbar, of Guelph. He also has been a director of the company since the early days in Guelph. He is a prominent barrister but his chief outside interest has been in Page-Hersey Tubes. He would have the senior claim to the position if he desired it.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	17	6	4	4	10	18	8	87	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	108.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
Weekly Figures, 1935:										
Sept. 5	118.5	11.4	60.3	208.6	62.5	128.9	123.1	145.6	46.3	97.3

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 10	111.29	104.38	90.36
Sept. 9	111.27	104.43	89.62
Sept. 7	111.67	105.52	89.61
Sept. 6	111.41	104.57	90.34
Sept. 5	111.12	104.53	90.16
Sept. 4	110.32	103.49	90.48
Month ago ..	111.85	101.40	92.39
Year ago ...	94.65	127.59	87.76
High, 1935 ..	114.74	123.68	103.99
Low, 1935 ...	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 10	60.9	58.9	59.6
Sept. 9	61.0	58.9	59.6
Sept. 7	61.7	58.9	59.8
Sept. 6	61.4	58.7	59.6
Sept. 5	60.9	58.5	59.3
Sept. 4	61.0	58.3	59.2
Month ago	64.2	60.9	62.0
Year ago	61.6	53.7	56.8
High, 1935 ...	64.2	63.1	63.0
Low, 1935	56.1	56.0	56.7

Premier Trust Licensed Under New Housing Act

From Our Own Correspondent

OTTAWA. — With the Premier Trust Co. of Toronto, the list of financial companies operating under the federal housing fund is now increased to ten. Additions to this number, it is thought, will be made from time to time but there is not likely to be any rush to come under the scheme.

The nine companies previously listed are as follows: Sun Life; London Life; Mutual Life; North American Life; Great West Life; Grey and Bruce Trust & Loan Co.; Commercial Trust Co., of Chatham; Sterling Trust Co., of Toronto; and the Capital Trust Co., of Ottawa.

Russell Motors Pays Full Year's Dividend

Russell Motor Car Co. has declared a dividend of $1.75 a share for the quarter ended October 31, or at the rate of $7 a year, and an additional $1 a share on arrears. Payment will be on November 1 to shareholders of record October 16.

Payments to date in 1935 on preferred stock have been as follows: $1.25 on February 1; $1.50 on May 1; and $1.50 on August 1. The new payments bring the total to $7, or the equivalent of a full year's dividend. This has been the most favorable showing for some years. Arrears still stand at $5 a share on preferred.

ITALY'S ORDER TO SWAP BONDS ONLY DOMESTIC

Canadian and American Bondholders Not Affected

Recent order of the Italian Government ordering conversion of foreign credits, foreign securities and Italian bonds into Italian treasury 9-year lira five per cent bonds apparently applies only to Italian subjects or residents in Italy.

J. P. Morgan & Co., New York, who were bankers for the issue of Kingdom of Italy seven per cent bonds of 1951, informs The Financial Post that complete details of the conversion provisions have not been received. The 1951 bonds were sold in Canada as well as the United States. The Morgan firm states that it has not been advised of any conversion of the external seven per cent loan of 1951.

Applies To Italians

Premier Benito Mussolini recently announced that conversion of all foreign credits into lira bonds would be required by the Italian Government. Apparently this order means that all Italian citizens must turn over their foreign credits and securities, and their bonds of the Kingdom of Italy payable in foreign currencies, in exchange for lira bonds.

Since the order apparently applies only to Italian citizens, it is presumed in financial circles that it does not affect Canadian holders of bonds of the Kingdom of Italy, city of Milan and other Italian issues sold on this continent and payable in dollars.

The effect of these measures, of course, is to lighten the burden of Italy's payments abroad and also to provide it with more credits on foreign countries. Mussolini's Government requires these exchange balances to meet its payments abroad for raw materials in connection with its military programme.

The Italian budget is heavily unbalanced and gold reserves of the Bank of Italy have been dwindling. A shortage of exchange has existed for some time. It became intensified with the purchases of materials abroad in connection with large military expenditures.

Bond Tenders

St. Jerome, Que., School Commission, Sept. 19—$15,000, 4½% bonds maturing serially 1936 to 1955. C. Viau, sec.-treas.

Sainte Rose, Que., Sept. 26, 4 p.m.—$25,000, 3½% or 4% bonds maturing serially 1936 to 1955. A. Pepin, sec.-treas.

Kitchener, 4 p.m., Sept. 18—$361,302 of 3½ and 4 per cent debentures maturing serially over 10 and 20 years. L. M. Dahmer, city treasurer.

Westmount, Sept. 17—$220,000 3½ per cent serial debentures, dated May 1, 1935, maturing 1936 to 1975. C. W. Houston, asst. sec.-treas.

Metal Prices

New York—Sept. 10—

Copper: Electrolytic spot and future, $8.50.

Silver: 65⅜c.

London—Sept. 10—

(Long Ton)—

Copper: Electrolytic spot, £37 15s; future, £37 10s. Standard spot, £33 7s 6d; future, £33 15s.

Tin: Spot, £218 15s; future, £207 17s 6d.

Lead: Spot, £15 12s 6d; future, £15 15s.

Zinc: Spot, £15 2s 6d; future, £15 10s.

Gold: 140s 3d.

Silver: 29 3/16d.

Canada—Sept. 10—

Gold: $34.85.

Municipal Finances

Edmonton bank overdraft for the end of August was $830,000 and there was $1,250,000 of floating debt to the Dominion Government. Mayor Clarke states the city is faced with a cash shortage of $900,000 this year, even if there is a 100 per cent tax collection. Financial assistance must be forthcoming from somewhere, he said. All tax revenues to Aug. 31, 1935, were $2,538,875, compared with $1,968,526 in the 1934 period. Sinking fund trustees have bought $320,000 of city 5 per cent debentures at par and have contracted to buy another $374,000. This eases the city's financial position.

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Fort William 1935 maturities have already been paid in cash or are held in the city's sinking fund, according to Dominion Securities Corp. No further capital expenditures are contemplated at present, and the city has no current bank loans, it is said. Tax collections this year are reported improved over 1934.

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Calgary sinking fund and city departments hold $1,281,500 of Alberta Government bonds and savings certificates. If a federal loan is not obtained, city commissioners would recommend that the city default on its bonds in order to allow payment of general costs of government, it is stated.

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Toronto assessment for 1936 is $980,010,002 compared with $970,297,450 in 1934, according to George Farley, assessment commissioner. Adjustments will reduce the 1936 assessment by $6 millions, he estimates. If Ontario removes Toronto's income tax assessment, it would take $36,340,821 off the total.

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Kitchener, in calling for tenders for $361,302 of debentures supplies this information: Debenture debt at Dec. 31, 1935, will be $3,972,463, second lowest in nine years, compared with $3,949,800 at the end of 1934. Current tax collections to Aug. 31, were $700,606, or 56 per cent of the levy this year, against $689,943, or 54 per cent last year. The city's share of direct relief was $85,306 for the first seven months of 1935, against $125,771 for the whole of 1934 and $124,511 for all of 1933.

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Regina total tax collections were $1,372,349 to Aug. 31, 1935, compared with $1,279,546 in the 1934 period. Current collections were $1,052,609 and arrears $319,740 this year, against $1,017,317 and $262,229 respectively in the 1934 period.

Consolidated Paper Corp. Lumber Operations Gain

From Our Own Correspondent

MONTREAL. — Employment in bush operations will be given to 500 men by the Consolidated Paper Corp. whose plans for the fall and winter season have been completed. The company will operate about 25 per cent more extensively than last season, it was stated and the cut will be more than 15,000,000 feet.

FANNY FARMER OPTIONED STOCK ALL PURCHASED

O'Connor Firm Gets $1,185,000 Cash, Holds 100,000 Shares

Exercise by A. W. Porter Inc., New York, of all its options to buy shares of Fanny Farmer Candy Shops Inc., from Candies Investments Ltd., means that the latter has received $1,185,000 in cash and still holds 100,000 shares of Fanny Farmer common. Announcement that all the options had been exercised was made last week. There are 390,512 shares of Fanny Farmer common outstanding.

Candies Investments Ltd., is the personal holding company of Frank P. O'Connor, president of Fanny Farmer and also of Laura Secord Candy Shops Ltd. Candies Investments held 280,000 shares of Fanny Farmer common last year and optioned 180,000 of them in September, 1934, to the Porter firm at prices ranging from $5.25 to $8 a share.

Sale Successful

Sale of the shares by the Porter organization is understood to have been eminently successful. The stock has been sold to investors on the basis of current market prices which have recently been above $9 a share. This market strength was an important factor in causing exercise of all the options. The final option was for 60,000 shares at $8 each. This underwriting was made attractive by the firmness of Fanny Farmer common above $9 a share.

Completion of the Porter deal may have an influence on market quotations for Fanny Farmer common. There will still be some stock in the hands of the Porter organization to be marketed. This may be considered a depressing influence. On the other hand, however, successful marketing of the major portion of all the optioned shares removes potential pressure which has been hanging over the stock for nearly a year.

Bond Sales

Dominion Treasury Bills

The Dominion government has sold $20,000,000 of treasury bills maturing Dec. 11 at 99.68005, a cost basis of 1.287 per cent.

Prince Edward Island

Province of Prince Edward Island has sold $200,000 of 10-year, three per cent debentures to W. C. Pitfield & Co., Montreal, at 99.58, a cost basis to the province of about 3.05 per cent. Proceeds will be used for paving, buildings and new Hillsboro ferry. Bids, alternately for 5, 10 and 15-year bonds, were submitted as follows:

	Bids for 3's— 5-yr.	10-yr.	15-yr.
W. C. Pitfield & Co...	100.93	99.58*	....
A. E. Ames & Co. ...	101.07	98.27	97.22
Gairdner & Co.	.....	98.031	97.26
Griffis, Fairclough & Norsworthy	.....	97.81	95.98
Mead & Co.	101.41	97.52	....
McTaggart, Hannaford, Birks, & Gordon; Harrison & Co.; Hanson Bros.	100.33	97.25	95.20
Irving, Brennan & Co.; McLeod, Young, Weir & Co.	99.07	97.03	95.26
Bk. of Montreal; Royal Secs.	101.18	....	....
Bk. of Commerce ...	100.46	....	....

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TORONTO

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Toronto Elevators Adds 2,000,000 Bus. To Capacity

The fact that Toronto Elevators Ltd. has had its storage space filled to capacity in recent years is indicated in the company's decision to spend some $400,000 on building an addition on the east of the present elevator on Queen's Quay, Toronto. The new elevator will have a storage capacity of 2,000,000 bushels of grain. Present storage capacity is about 5,000,000 bushels, 2,000,000 at Toronto and 3,000,000 at Sarnia. Thus the Toronto space is being doubled.

Carter-Halls-Aldinger Co. is the general contracting firm to which Toronto Elevators has awarded a contract for the work.

While no official forecast of earnings of Toronto Elevators for the year ended July 31 is available yet, it is believed that capacity storage and satisfactory sales of stock feeds have enabled the company to do about as well as last year. In 1933-34 net profits were the equivalent of $14.06 a share on the preferred stock and $4.23 a share on the common stock after liberal reserve deductions.

In connection with the addition to plant, it will be recalled that interests believed to be connected with Toronto Elevators were considering erection of a $1,000,000 malting plant in 1934. This scheme was dropped. Toronto Elevators itself, however, has been such a successful enterprise that expansion has come to be considered almost a necessity. With larger grain crops in central Ontario this year, there is some expectation that demand for storage space may be greater. Although farmers may be able to provide more of their stock feed from their own production, it is expected that higher farm purchasing power will result in greater demand for the specialized "Master Feeds," marketed by Toronto Elevators.

Chomedy Apartments, Ltd. Pays 50c on Common Stock

From Our Own Correspondent

MONTREAL.—With payment of 50 cents a share on the common stock of Chomedy Apartments Ltd., Montreal, affairs of the company have been wound up.

Last May the company notified the holders of the bonds and common stock that an offer had been received to purchase the property for cash, which, after including net current assets would be sufficient to retire the existing prior lien mortgage, liquidate current liabilities, and pay 50 cents on the dollar on the outstanding $210,000 8 per cent. income general mortgage bonds. It was anticipated at the time that after making provision for these charges there would be a small amount available for distribution on the common stock, of which 10,272 shares were issued.

This offer was accepted by the security holders and liquidation was carried out. As anticipated, there was a small balance available for the common stock holders.

University Tower Corp. Meeting Senior Charges

From Our Own Correspondent

MONTREAL.—Operations of the University Tower Corp., owners and operators of a large office building of the same name in Montreal, have not shown any marked changes in recent months. Current income is reported to be sufficient to take care of taxes, interest and sinking fund payments on the first mortgage bonds. No payment has been made on the general mortgages.

The rental situation in Montreal has shown signs of strengthening, but office building owners have not been able to do much more than maintain rental values, though long term leases are not being made.

Whittall Can Co. Returns for 1935 Show Up Well

From Our Own Correspondent

MONTREAL.—Whittall Can Co.'s operations and earnings for the current year are understood to be on a basis comparing satisfactorily with those a year ago, when over $11 a share was earned on the preferred stock.

There does not appear to be any immediate likelihood of the company's taking steps to clean up the relatively small arrears of dividends on the preferred. Such action will likely be held off until the guaranteed bank loan of the Associated Quality Canners, a subsidiary, is cleaned up. At the end of last February this loan amounted to $550,000, or the same as reported in 1934 and 1933 fiscal years.

Operating profits of Whittall Can in the fiscal year ended last February—$325,749—were the best reported in several years. Earnings of Associated Quality Canners, on the other hand, were only $13,361. While this was better than in the previous three years, when substantial deficits were incurred, the profit shown by Associated was only a fraction of that reported in more normal years.

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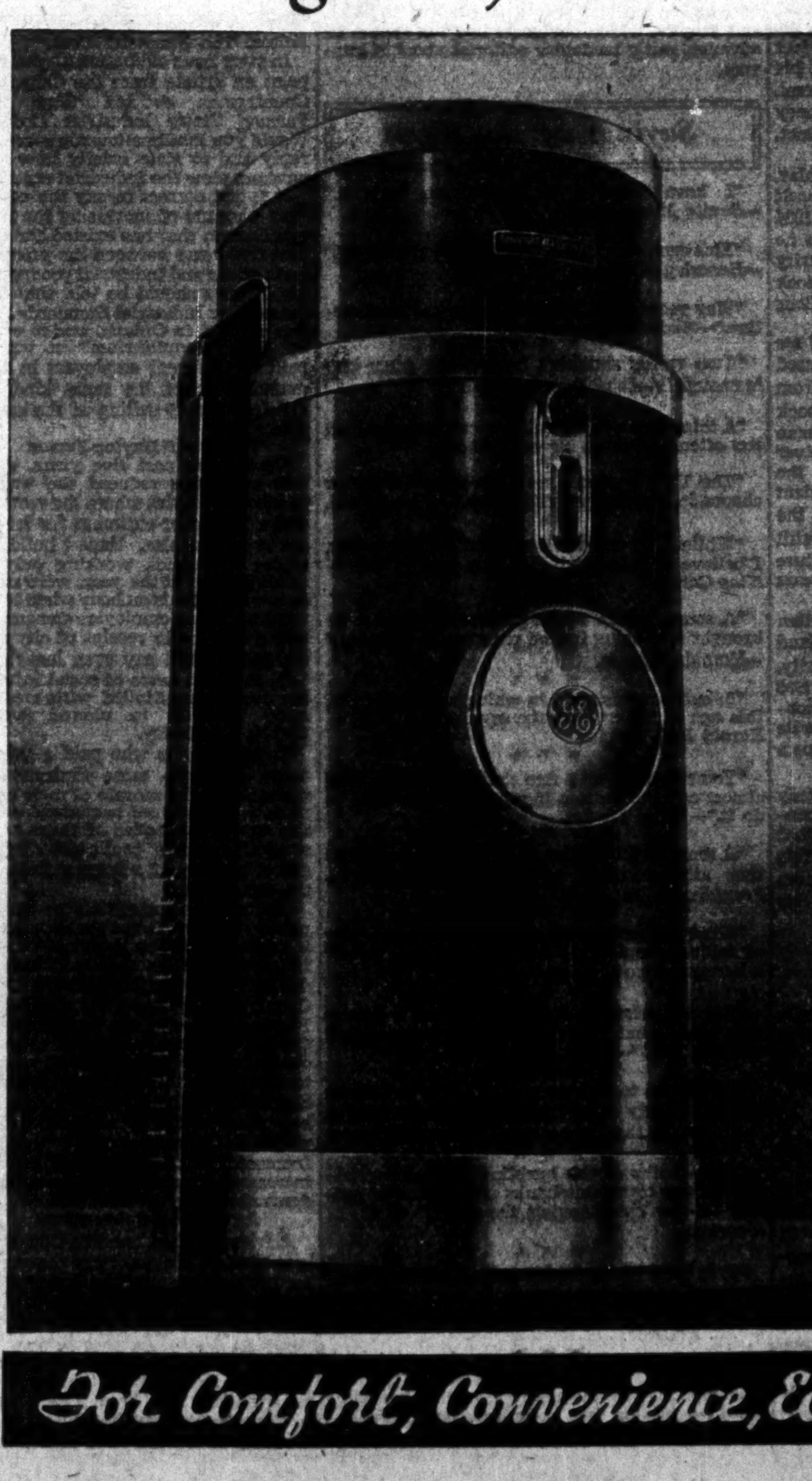

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Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Sisters of St. Joseph's	Sept.	Dom. Secur. Corp.	4%	1940-54	$475,000	98	4.15-4.25
City of Quebec	Aug. 26	....	3½%	1940	555,800	*100	3½%
Peres Redemptoristes	Aug. 26	La Corp. de Prets du Quebec	4%	1936-45	675,000	†100	4%
Franciscaines Missionnaires De Marie	Sept.	Lucien Côté, Dubé Leblond	4%	1936-50	327,000	100	4%
Port Stanley, Ont.	Sept.	Locally	5%	20-ins.	20,000	102.20	4.75%
Dominion—							
Dominion Notes	Sept. 1 ...	Canadian & U. S. Banks	1%	Feb. 1, '36	20,000,000	100	1%
Dominion (Treasury Bills)	Sept. 10 ...	Miscellaneous buyers	...	Dec. 11, '35	20,000,000	99.68	1.28%
Provincial—							
Prince Edward Island	Sept. 6	W. C. Pitfield & Co.	3%	Oct. 1, '45	200,000	99.58	3.05%

*Sold over the counter at 100.

†Offering price.

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Business Manager—D. M. GOWDY

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TORONTO, SEPTEMBER 14, 1935

RUGBY AND RELIEF

THE rugby season will soon be with us. Last week some boys at an Ontario high school wanted to practise the great autumn sport. Last year's rugby balls had disappeared. The school board had decided to retrench and not purchase any new ones out of public funds. Some new ones were being provided out of the students' own athletic funds but they were not available.

What happened?

A group of boys approached the athletic teacher to ask if a ball or two might not be secured from relief funds.

The rest of this column could doubtless be filled amplifying this little sidelight on a young Canadian viewpoint about the Dominion's biggest single business. Many of its implications were discussed at length in these columns last week.

Suffice to reflect how deeply its roots are sinking, when fifteen-year-old Canadian lads think relief rolls are synonymous with rugby balls.

ALBERTA'S CABINET

ONE encouraging feature about the new cabinet chosen last week by William Aberhart is the words of commendation offered by ex-premier J. E. Brownlee.

For there would seem to be no reason for doubting Mr. Brownlee's sincerity when he said:

"I believe that Mr. Aberhart is to be congratulated upon his cabinet selections. I know some of the new ministers personally and found them to be capable, experienced men."

Unquestionably much of the balance between the political success or failure of men who will be charged with inaugurating the world's first social credit scheme, will rest with the permanent officials at the head of various government departments. Virtually all the new ministers are inexperienced in the mysterious ways of provincial government, and most of them will bring a fresh, not to say unusual viewpoint, into provincial administration. But if they are willing to take the advice of seasoned civil servants, their lack of experience in parliamentary affairs and procedure may not be too great a handicap.

Too often, political leaders are weighted in favor of the city and urban viewpoint rather than the small community and the rural districts. Perhaps because the most successful men often gravitate to these communities. In Alberta we will get a chance to see even-handed democracy, with the common man—men who came to be sworn in in their working clothes—taking a fling at the all-too-complex business of government.

For example, the new minister of public works, railways and telephones is a small town C. N. R. station agent who has been keenly interested in municipal affairs. The experience of a term at Edmonton amid his new responsibilities should prove a leavening experience both for Hon. W. A. Fallow and subsequently for the town of Vermilion which he represents.

Or take Hon. Charles Cockroft who will be provincial treasurer and in charge of municipal affairs. Mr. Cockroft runs a general store at Gadsby which is a village of about 144 people, according to the last federal census. If Mr. Cockroft has balanced his books and kept his prairie store operating during the past five years he should be in fighting trim to tackle the provincial treasury job once he finds out that the provincial "till" is no more of a cornucopia than his own cash box back home.

But even more important than the type of civil servants these newcomers will have to fall back upon when they get to Edmonton, will be the men with whom they will associate personally after they assume office. For the annals of Canadian politics are overfull of examples where good men—men of promise and power—have been rendered impotent or worse by choosing the wrong type of friends and associates to guide them through political pathways.

By the same token men of ordinary or even mediocre talent, by wise association have performed magnificent service in all spheres of public service.

The right associates, plus an efficient civil service, may yet justify Mr. Brownlee's hopes for the Alberta cabinet. If so it will be good news both for Alberta and the rest of Canada.

WHEN CAPITAL LEAVES IT IS NOT TAXABLE

AT LEAST one Canadian millionaire is leaving Canada to take up his residence in the Channel Islands and two or three others are known to be flirting with the idea.

One of the attractions of the Channel Islands is the low rate of income taxation. In Jersey the rates in force are so small as to seem puny beside the surtax rates chargeable in Canada. The exemptions and allowances are much the same as in Great Britain but when the taxable income is finally computed the rate is only 4d. in the £1, or less than two per cent. Between 1928, when the tax was first imposed, and in 1933 the rate was 6d. in the £1 but last year it was reduced.

The rates are not much higher in Guernsey, which has as among its dependencies the islands of Alderney, Sark, Herm, Jephou, etc. In these islands, the rate is 10d. in the £1 or less than five per cent.

Another attraction is that there are no death duties in force in either Jersey or Guernsey and its dependencies.

No matter how many volumes of social philosophy were written about the desirability or otherwise of redistributing wealth by heavy income taxes, this country would face the fact that rates that drive out capital defeat their end of financing social legislation. When great wealth that has been earned in Canada is taken out of Canada, it is beyond the reach of our taxing officers. Not only does our economic structure lose the benefit of the capital but our governments lose the benefit of the taxation that it might contribute to the state.

The evidences of the flight of capital from Canada constitute a cloud no bigger than a man's hand on the horizon. That cloud should not be overlooked by governments in framing their tax legislation. This country needs more and more capital from abroad for development purposes. It needs to encourage thrift and investment on the part of those who reside in the country. It must suffer very greatly if capital is frightened out of the country through excessive taxation. There is a loss to workers and a further loss to public treasuries. In the old phrase, "it is a condition and not a theory" that has to be faced. Even extreme Socialists among our lawmakers ought to keep the law of diminishing returns in mind. And a five or 10 per cent or some other rate that brings in sorely needed revenues is better for the whole country than a 50 or 60 per cent rate that prompts tax evasion or capital flight.

THE SHORTER CATECHISM

JUST before Sir James Dunn, Bart., left his home in London the other day to sail for Canada, his friend, Max Aitken (Lord Beaverbrook), called him from Paris to wish him a successful trip and to tell him to enquire for a little package when he went on board the Empress of Britain at Southampton. On opening the package, he found a nicely bound copy of the Shorter Catechism with Beaverbrook's compliments.

These men are both New Brunswickers; Beaverbrook, the son of a Presbyterian minister, and Sir James, the son of a Presbyterian elder; both continuing Presbyterians. Both have had their ups and downs in life and have turned many sharp corners, but away in the background is their early home upbringing, the value of which this incident shows.

Beaverbrook was perfectly serious in sending the Shorter Catechism and his gift was equally understood and appreciated by Sir James.

MOTOR MAGNATE PASSES

NEWSPAPERS in the United States are carrying the obituary notices of a man who had a substantial stake in Canada both in a business and financial way. We mean the late John Willys.

Born in New York state he started his business career at the age of 16 by buying and operating a small laundry one summer. He made a net profit of $100. With this he purchased a bicycle and thus commenced business selling what in those days (1890) was the current craze in transportation. His next venture was the organization of a sporting goods company.

But in 1899, looking out of an office building he saw for the first time in his life a horseless carriage. "That machine," he is reported to have said, "has all the bicycles in the country beat to hollow." So he made up his mind to get into the automobile business at the earliest possible moment.

The next year he bought a car of his own and began to sell and trade. In 1901 he sold two cars, the next year three, the next year four. That was too slow so he formed his own sales company and contracted for the entire output of the Overland Co. of Indianapolis, which was six years old and had increased its output to 47 cars a year.

Everything went well for a few months until in the panic of 1907, the Overland firm was faced with bankruptcy because it couldn't pay its bills. John Willys jumped on a train and by some legerdemain raised enough money over the week-end to meet a $350 payroll which came due the following Monday morning. By desperate efforts he also raised enough money to buy the company—plus a circus tent to house additional men to keep production going.

On a train a few days later he heard a vacant plant in Toledo was for sale, whereupon he switched trains, bought the factory's 330,000 feet of floor space within 48 hours and moved his new establishment there—lock stock and barrel. The following year on $7,500 of borrowed money he turned an $80,000 liability into a $50,000 asset. The next year he made a million.

The rest of his career was equally spectacular. In the post-war slump of 1922 he found himself with deficits of $22 millions. By the end of 1924 all creditors had been paid off in full. Up he went again on an era of boom and prosperity and by 1929 was able to sell his common stock holdings of Willys-Overland Co. for $25 millions—just before the crash.

He went to Poland to exude some of his unbounded optimism on that very depressed country as President Hoover's ambassador from the United States. But 1932 found him back again in control of his old company as chairman of the board, and also as the company's receiver under a friendly court intervention. By the beginning of this year he was again president and although limited by court order as to the number of cars he could manufacture, he still looked with "confident optimism on the future of the automobile industry." He was 61 years of age when he died.

Thousands of his cars still spin over Canadian roads and not long ago his Willys and Overland models stood in the front rank in popularity. None have been made in this country since 1933 and it remains to be seen if this meteoric concern saved by less than a shoestring in the cradle days of the motor car industry can yet make a comeback without its magnetic leader.

The late John Willys had great faith, not only in the automobile industry and in his own country but also in Canada. Few people know that at one time through advice given him by this organization he invested heavily in Canadian government bonds which he regarded as an excellent investment.

SCIENCE CREATES JOBS FASTER THAN IT DESTROYS THEM

IF ALL who write on social and economic matters were required by law to make a study of the subject of obsolescence there would be less worry and excitement about so-called "technological unemployment."

It is the simplest thing in the world for a university professor or left wing editorial writer to "prove" that inventors and scientists, producing new machinery to replace human labor, are wrecking the Capitalist system by creating widespread unemployment. The argument always sounds convincing. But it is a one-sided argument. It overlooks the genuine contribution that science has made to creating new opportunities for profitable work and new methods of raising the standard of living of everyone.

A mechanical robot in an automobile factory could do the work that ten men could do by hand. But were it not for the inventive genius that produced that robot there would be no automobile factory to employ anyone. There would still be but a handful of people engaged in the painstaking manufacture of carriages as opposed to the millions who now make a good living out of the automobile and allied industries.

Mechanical transmission methods may have replaced many of the old time telegraphers. But the number of messages sent by wire today has multiplied a hundredfold and the total of employment in the communications industry is greater than it ever was in slower and less scientific days.

Obsolescence has been created by science and study. No longer do we wait for machinery, for homes, for clothes, for equipment of any kind to wear out before replacing it. We merely wait until something better comes along and then we buy that better article whether the old one is still usable or not. For every scientist who is inventing labor-saving machinery, there are a dozen who are inventing new and better articles that the world will insist upon having. And in the manufacture of these articles more people are employed and under better working conditions and for higher wages than the technological advance in methods of production will ever displace from their jobs.

NEW DEAL LIBRARY

FOR six dollars and sixty cents you can buy Canada's new deal (1935 version). Not in any gilt-edged volume, mark you, but in 66 little pamphlets and brochures which comprise (according to the King's Printer) the "Public Acts of Canada—Session 1935."

The price of each one is ten cents (twelve cents in countries other than Canada and the U.S.A.) and we are almost tempted to use 66 lines of type to remind our readers once more of the prodigious legislative accomplishments of the parliamentary session which came to an end a few weeks ago.

Many people who have followed the legislative achievements of the last parliament know something of the significance of these 66 new statutes. Few realize perhaps how greatly our social and economic life would be affected if even a small part of their provisions is put into actual practice. The purchase and study of some of the more important of these acts by business executives, corporation officials and students of Canadian economy would therefore be an investment of very real merit.

Canadians, whether they be individual citizens or representatives of institutions and corporations, will probably be paying for this legislative grist for many decades. The actual cost of $50,000 a day paid to maintain the parliament which ground out these laws is a mere bagatelle compared to the potential financial liability which the introduction and maintenance of these new deal laws is destined to impose upon us as taxpayers of the Dominion.

HEAR, HEAR

BELIEF that the railway industry in the United States might again be placed on a sound basis if "we have the courage to face the facts and overcome the troublesome factors," was expressed last week by L. F. Loree, president of the Delaware & Hudson Railroad. Mr. Loree is one of the most successful railway operators in the United States and was a member of the famous Duff Royal Commission which delved into the Canadian railway problem a few years ago.

But Mr. Loree has recently returned from a tour of western states where the outlook he feels is not encouraging. This is his view:

"Political factors seem to be developing a state of mind that is a combination of confusion and impatience. Confusion about multiple and complex social and economic reform, impatience for the solid fruit of recovery—a recovery that has been retarded by political crackpots."

Canadians will say: "Hear, hear" to both of Mr. Loree's observations?

EDITORIAL NOTES

Last week Alberta celebrated her thirtieth birthday by swearing in the new Social Credit cabinet. A nice birthday present for 1936 would be to put the province on the $25 a month basis if there is that much left in the province by then.

Time and type got mixed up this week in the second Bennett broadcast. Time limitations forced the Prime Minister to omit the last three pages of his address concerning fixed prices for agriculture, but his Toronto mouthpiece, the Mail and Empire, which obviously had the speech in advance, ran a laudatory editorial about it anyway.

Sayings of the Week

"I have nothing to fear from anyone."—*Benito Mussolini.*

"You can't work in a garden and want war."—*Beverley Nichols.*

"War recedes as peace is made more attractive."—*Andre Maurois.*

"Two words shouldn't be written when one is enough."—*Abbé Ernest Dimnet.*

"A thing that nobody believes cannot be proved too often."—*George Bernard Shaw.*

"The little business man never had a better chance in his life than right now."—*Henry Ford.*

"While I do not think any nation wants war, I believe it is inevitable; it is a part of life."—*King Carol.*

"A sound public works programme cannot be brought into being by the pressing of a button."—*Harold L. Ickes.*

"In spite of this eddy in which we are caught, this age is better than the ages of the past."—*Harold Bell Wright.*

"You can build up a fine statistical support for almost any proposition if you are determined to do it."—*Bruce Barton.*

"A sense of proportion is essential to the effective attainment of any great objective."—*Franklin D. Roosevelt.*

"What we most need right now is some way of telling people that the depression is over."—*Earnest Elmo Calkins.*

"I'm not ashamed to be known as a fellow who leads what is sometimes sneeringly called a 'clean life.'"—*Rudy Vallee.*

"Resistance to measures which infringe upon human liberty and property rights typifies patriotism in the highest sense."—*Jouett Shouse.*

"Nine-tenths of the burbling against capitalism is done by mountebanks who dream of getting on top by changing the rules."—*H. L. Mencken.*

"It is man himself who judges his own conduct and awards punishment in the form of remorse or reward in the form of inward peace."—*J. S. Haldane.*

"I am not in the ordinary sense a 'pacifist,' whatever may be the meaning of that beautiful word containing two spits and two hisses."—*Vyvyan Adams, British M.P.*

The World at Large

Europe's War Issues

Three Alternatives Face League as War Scare Grows

From a Special Correspondent

LONDON. — Europe will take years to recover from the repercussions of the Italo-Ethiopian dispute even if actual conflict is averted.

However grave or however light may be the direct military and territorial results, they will be eclipsed by the economic and the diplomatic disturbances which are already beginning to make themselves felt.

The economic are, at the moment, comparatively simple. National credit is shrinking from Italy. London banks and accepting houses are treating Italy with growing caution and, whatever the outcome in Abyssinia, Italy will find herself in a slough of financial despond for many years.

Diplomatic Issues

Diplomatically the issues are not so clear. The central point of British policy is the vindication of the League. This, it is understood, was emphasized at the recent meeting of the Dominion representatives in London but it was also made clear that the Dominions had complete liberty of action. The obligations of the Empire to enter into the Abyssinian dispute are actually non-existent unless and until there is an unprovoked attack on the Empire as a whole, this is considered remote.

Canadian Position

Canada has already made her position clear, indicating that she does not intend to send one soldier to take part in any purely European affair. Australia and New Zealand are of the same mind, but the position of South Africa is more complicated since the dispute may affect the whole future relationship between the black and white people on the continent.

Britain's vindication of the League is generally regarded as being wise and high-spirited, but there are limits to her capacity to bear the brunt alone. This, in turn, depends upon the attitude of France. The whole situation is singularly involved and complications are extending like ripples on a pool.

At its recent meeting the League was faced with several alternatives but apparently decided for the time being to turn matters over to a committee. This is composed of Great Britain, France, Turkey, Spain and Poland. Whether or not this committee will be able to settle or control the dispute still remains uncertain and in the meantime the original alternatives may still have to be faced by the powers at Geneva. Briefly these alternatives are as follows:

Three Alternatives

The League can take one of two courses—it can apply sanctions or it can indicate the aggressor and leave the nations to take what action they think fit.

The first course requires unanimity on the League Council. This is impossible so long as France refuses to take a strong line against Italy. To name Italy the aggressor and to leave the nations constituting the majority on the League to vote on this issue would mean that Britain would have to bear the brunt, because, with France adopting a neutral attitude, there would be no other country with sufficient naval forces at its disposal.

The third alternative is to allow the war to take its course with all the other nations standing by—an alternative which would strike at the root of the existence of the League. One Italian victory at the outset of the campaign would be followed, in any event, by further negotiations for peace. Events may occur, however, within the next week or two which may alter the whole complexion of the dispute.

Britain's Course

Britain may make it clear to France that unless she definitely votes against Italy either for sanctions or in naming the aggressor, she will leave France to her own devices in the face of Germany—a threat which would have a profound effect upon French opinion.

Another threat which Italy must bear in mind is that constituted by Turkey and Czechoslovakia. The former is alarmed by the action of Italy in converting the Dodecanes into bases for the supply of arms and other supplies for the Abyssinia Expeditionary Forces and, it is said, she has increased her complement of armed forces far beyond the quota fixed by international agreement. Czechoslovakia, too, has never forgiven Mussolini for his alleged efforts to restore the Hapsburgs, and they also suspect that he has been fishing in the turbulent waters of Greece.

Suez and Blockades

The question of the Suez has been raised but it is extremely unlikely that the waterway will be closed unless it can be proved that Versailles sets aside the International Convention of 1888.

There arises also, in this connection, the interesting question of blockade. If Italy declares war on Abyssinia she will in all probability impose a blockade to prevent the shipment of arms. Under the terms of that blockade she would claim the right to search British and American ships. This point is now, it is understood, being discussed between London and Washington and decisions may be arrived at which would alter the whole basis of mercantile law—for neither Britain nor America would submit to their vessels being searched by Italian patrols.

Gibraltar

Another point in the question of international waterways now concerning British diplomats, is the Straits of Gibraltar. It would be perfectly feasible for Britain to close these Straits to Italy in the event of her trying to impose sanctions but she only could do this effectively in co-operation with Spain—and Spain inevitably acts according to the will of France.

It would therefore seem, from these complications which affect every country from Turkey to the United States, that the secret of a foreign policy must hang on the possibility of bringing France around to the British point of view.

Failure by Italy to make any move toward peace might result in a military victory but it would also bring, in its turn, untold economic difficulties for her people and the alienation, temporarily, at least, of every country in the world with the possible exception of France.

How the Worker Views Industrial Codes

Editor, The Financial Post:

In your issue of August 31 you reprint an article from the Canadian Countryman entitled "How the Farmer Views Industrial Codes." Would you kindly allow me space to reply and to state briefly how the workers view the industrial codes.

It is not correct to say the codes "are a means of increasing the 1924 equilibrium that has existed for the past five years between the price of farm goods and industrial products." The farmer should be told that the reason The Industrial Standards Act was enacted in Ontario was to even up the "disequilibrium" in wages paid by different employers in the manufacture of the same kind of articles, usually selling at the same prices.

Wages and Buying Power

During the past five years, certain employers reduced the wages of labor to a point where the worker was a very poor customer for farmers or anyone else. Expert building trades mechanics, working only a small portion of the year, were paid as low as 25 cents an hour while they worked. Some employers demanded that a man be in receipt of city relief so he could pay even less than this, and such cases of social injustice may be multiplied with wearisome iteration in almost every branch of industry.

The employers who paid a living wage and who were desirous of maintaining the morale of their employees were forced to contend with the cut-throat tactics of those who sought to gain a profit out of the abject poverty of a large section of the community.

You will remember that the wages paid to workers is not the determining factor in fixing the price of the finished article, and it is therefore difficult to understand how, as the Countryman believes, the conditions I have described helped the farmers. On the contrary, the reduced purchasing power (if any) which comes to the worker through the Industrial Standards Act will enable him to buy some of the necessities of life which he has been denied for years. Increased purchasing power means increased demand, and increased demand means increased prices.

Assisted by Subvention?

A friend of the Canadian Countryman "felt he could not pay the regular trade-union rate" for having his house painted last year. The trade-union rate for painters in 1930 was 90 cents an hour. In 1934 it was 70 cents. This man says he actually paid "less than half" of this, or shall we say 30 cents an hour, a reduction of 66 per cent from the 1930 rate.

Surely it is high time something was done to stop such people taking advantage of the adversity of the times under the guise of creating employment. The friend of the Countryman is welcome to all the mental satisfaction he can get out of the probability that the man who painted his house, and who was paid $12 for a full 40 hour week's work had to apply to the city for relief to keep him and his family during the time he was not getting the odd house to paint. Or in other words, the house owner was assisted by subvention of public funds in keeping his home in repairs.

The theory presented by the Canadian Countryman that the farmers would be more work if wages were lower is an economic fallacy. Wages are always highest when work is plentiful. Low wages stimulate nothing but degradation and misery.

Control of Farm Prices

The Canadian Countryman complains that "the Industrial Standards Act ignores the farmers." Should I complain that the decisions of the Milk Board (for instance) ignores the building industry? Because in spite of the Countryman's contention that farm produce is 40 per cent cheaper now than it was in 1929, we in the building trades pay more for milk than we did in 1929, and there has been no reduction to us in the price of bread, beef, pork, butter or eggs. Perhaps the Countryman means that the price the farmer receives has been reduced 40 per cent. As a matter of fact (I haven't looked it up) but if my employer who is, say, a house builder, raises my wages 10 per cent or even 20 per cent because of the operations of the Industrial Standards Act, why should that add to the burdens of the farmer as he contends?

Fortunately, most farmers are better versed in modern economics than the author of your article. The farmer knows that the price he receives for his produce is subject to certain laws which he as an individual cannot hope to control. He knows he receives too little for his labor and pays too much for the things he has to buy, realizing as he does the small proportion of wages paid in the manufacture of those things, and above all he is well aware that the reason he lacks a better measure of economic security is not because some workers in the city are likely to be able now to afford some amenities to their meagre wants, through the operations of the Industrial Standards Act.

WM. DUNN.

Toronto,
Member Carpenters Advisory Board Industrial Standards Act.

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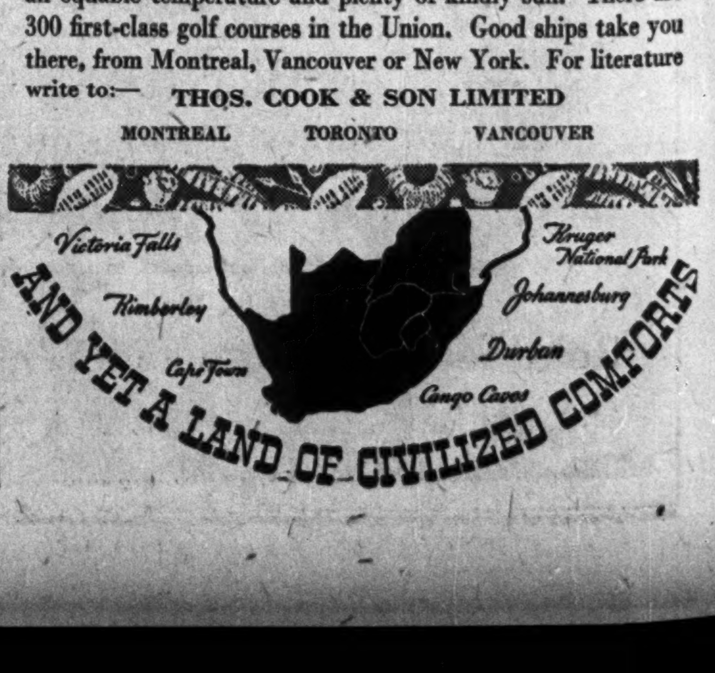

AND YET A LAND OF CIVILIZED COMFORTS

The Week in Business

A "Queen" Indeed

OUTFITTING work on the "Queen Mary," Cunard's giant steamship, is proceeding at such a speed as to fairly well assure that she will be towed down the Clyde about the third week next May. Four thousand skilled workers are now employed.

Nothing can be done, of course, to offset the nine foot advantage in length of the Normandie, but some experts say that sufficient tons will be added to her gross weight to bring total tonnage above that of her rival.

Twelve decks are completed and their surface, 20 acres, has been covered with teak wood planking. Among other equipment already installed are two electrical power stations with 4,000 miles of wiring.

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Call For Rabbits

KROGERS, Ltd., the second largest food chain in the United States, has gone in for rabbits in a great big way. A breeding farm has been established by the company to supply the demand for rabbits in the stores in and adjacent to Cincinnati. Kroger rabbit experts promise to raise output to 25,000 rabbits a year. This is thought to be redundant by certain other experts who consider that the main question will not be of production but rather of curtailment of production to a given quantity.

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Just a Matter of Course

IN A business story earlier this year, it was stated that business activity in the Maritimes had shown a sharp comeback, offsetting the disconcerting decline of the early part of the year. The "Maritime Merchant" of Halifax considers the word "disconcerting" a bit strong. It says: "We are quite accustomed to such a movement in the first quarter and are never worried by it, because it is a natural condition. What would worry us would be a continuation of such a movement or slow recovery in the spring months; for in the Maritimes it is the usual custom to make a strong comeback as soon as the country thaws out."

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Of Some Interest

THE Italo-Ethiopian quarrel has not been without its repercussions on Canadian business; tourist agencies report that the war rumors have caused a definite slackening of foreign travel. . . . One of our railroads has designed a new parlor chair with a compartment for luggage built in to conserve space. . . Nature did a pretty good job of streamlining pickles so one United States firm decided that all that was necessary to bring the product into line with a modern trend was to pack them in streamlined jars.

Background of Business

Short Circuit Hotels

Camps and Cabins Crowded—Standard Container Difficulties

Tangible evidence of the degree to which tourist camps and cabins are affecting legitimate hotel business was given in the failure of Toronto hotel business to show an increase parallel with that in attendance at the Canadian National Exhibition this year. Attendance at the "big fair" exceeded that of last year of more than 148,000, yet Toronto hotelmen in most cases report no revenue increase that can be attributed to the influx of exhibition visitors, who were reported to be more numerous than in many years. Some even show a revenue even slightly smaller than last year.

Convinced that failure to attract business is on account of tourist cabins and camps on the outskirts of the city, hotelmen are pressing the Ontario Government to pass legislation which would bring these places under government regulation. They would have them maintain guest registration and equipment and facilities essential to what they consider proper hotel keeping. They also advocate taxation on tourist camps similar to that which they have to bear. They believe that if the overhead of these concerns can be increased sufficiently they will either close up or raise their rates sufficiently to provide fairer competition for legitimate hotels.

Some hotel managers, however, fear that government regulation would cause the camps to improve attractions to such an extent that they will provide even greater competition. This has been the experience of some hotelmen in Quebec province where camps were regulated after three years of agitation by hotel associations. The scheme there has proved a boomerang; many travellers and tourists who previously stayed only at standard hotels are now patronizing tourist camps.

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Profit Maintenance

In the retail men's clothing field there has been noted this summer a tendency to avoid summer sales on seasonal lines in some of the better stores. Other years these stores have sacrificed their profit on sport clothes and summer lines and in many cases have taken a decided loss in order to avoid a carry-over to next season. This year, however, many merchants have found it more profitable to insist on their regular profit throughout the entire season and run the risk of a heavy carry-over. A comparison of stores that have cut their prices and those who have maintained them at the original level shows the latter to have made the greater profit and their carry-overs are not a great deal larger.

Next year it is expected that the experience of these retailers will be taken as an example by many others and the amount of price cutting on seasonal lines will be greatly decreased.

• • •

Clothing Wages Up

Quebec Collective Labor Agreements recently put into effect under the Arcand Bill in the men's wear industry in that province have forced a general realignment of factory costs due to the increased wage scale it demands. This increased cost is reflected in the retail selling price by a jump of from 10 to 15 per cent in suits and overcoats.

The labor agreements have done much to clear up the clothing industry's labor troubles and, although there are still a few manufacturers not complying with the code set by the joint committee, most manufacturers express complete satisfaction with the new arrangement. It is expected that those few who have not yet lined their wages up with those stipulated in the agreement will be forced to do so before the end of September. Most of the wide disparities in the prices of Quebec clothing have disappeared and merchandising is on a much fairer basis. There is still a small quantity of cheap merchandise being offered in an effort to stir up more business.

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Uniformity in Containers

The majority report of the Royal Commission on Price Spreads urged that uniform containers were necessary in the best interests of the trade and general public. Ottawa is now sounding out those affected. There are many obstacles to overcome and many differences of opinion as to whether containers such as tin cans and packages can be simplified as suggested.

Distributors more or less agree that there are far too many sizes on the market now, and that if the number could be reduced and uniformity introduced, cost reductions would be effected by both manufacturers and distributors. Merchants could reduce their investments, and at the same time the consumer could not be fooled between the prices of two containers not holding exactly the same contents but nearly so.

Ottawa officials have suggested that all merchandise be packed only in containers holding the following weights: 2, 4, 8, 16 oz. and units of one pound. This would eliminate the 12 oz. packages and tin cans, 18 oz. squat tins, 20 and 30 oz. containers and so on. There would no longer be 3½ lb. bags of flour; 3 lb. or 4 lb. bags would be necessary.

In their investigation, government men are finding that while the general idea is approved by nearly everybody, certain exceptions may have to be made which might render the plan impracticable. For instance, canners who do an export trade have to compete with other countries who may or may not have similar restrictions. The number two squat tin, 18 oz., is used by fruit packers in Australia, the United States, and elsewhere. Use of odd sizes for export markets only is made difficult by possible surplus of goods not absorbed by the export market.

This is the type of problem that will have to be gone into before simplification and uniformity containers can be definitely established.

U.S. LUMBER MEN PLAN TO INVADE AUSTRALIAN MART

B. C. Worried About Losing Almost Exclusive Trade

From Our Own Correspondent

VANCOUVER.—New worries confronted British Columbia lumber exporters this week when they learned that American competitors were planning to invade the Australian market. For the last two years the latter has been buying almost exclusively from Canada.

Lumber interests here were also disappointed, although not surprised, to hear that American west coast mill men were opposing the suggestion at Washington that lumber from Canada be favored under the proposed reciprocal tariff being negotiated between Canada and the United States.

These were two stiff blows at B.C.'s major industry, already severely jolted by the Japanese embargo, the collapse of the Chinese market and the decline in United Kingdom demand as a result of the reduction in price of Russian lumber.

News Discomforting

News of the jeopardy in which the Australian market now stood, from the Canadian standpoint, was anything but comforting. Australia has been regarded as British Columbia's second largest customer, and its loss would be serious. If Australia continues to enforce the present preferential tariff on Canadian lumber the market will probably continue safely. There appears, however, to be some doubt as to whether Australia's known dissatisfaction with the balance of trade between the two countries will not cause some disturbance in the tariff arrangement.

Advices from Seattle indicate that the West Coast Lumber Association, largest lumber trade organization in the Pacific states, will undertake an aggressive sales campaign aimed at breaking down what has developed into a B.C. monopoly of the Australian lumber business. Whatever business B.C. might lose as a result of tariff relaxation would go to the United States.

Loss Important

Loss of the Australian market would be more important to B.C. than the loss of Japan as a buyer. Last year B.C. shipped 128,000,000 feet of lumber to Australia. In July total west coast shipments to Australia were 7,696,233 feet, of which B.C. supplied 7,611,000 feet.

Further disquieting news comes from Seattle, where a new organization to be known as Red Cedar Shingles, Inc., has come into being with the expressed purpose of combatting sale of British Columbia shingles in the United States. Before tariffs were increased in the United States to such an extent that B.C. shingles and lumber were severely restricted in their entry into the American market, B.C. sold 90 per cent of its shingle output in the United States.

Under the N.R.A., shipments from Canada were held down voluntarily to 25 per cent of the domestic consumption of the United States. When the N.R.A. collapsed, Canadian exports rose steadily, until now they are said to have tripled the former total. This development has been protested against by shingle operators in the northwestern states, which may be counted on to oppose any move on the part of B.C. to hold an important place in the U.S. market.

Farm Machinery Shipments

Shipments of farm machinery westward are far in excess of recent years, according to reports from Fort William. Binders, cultivators, harrows, plows and all sorts of farm implements are moving westward in greater volume than in 1931, 1932, 1933 or 1934.

New Industries
and Plant Extensions

Compiled Weekly By The Financial Post

The Toronto Industrial Commission announces that:

Baker Platinum of Can., Ltd., newly incorporated subsidiary of Baker & Co., Inc., Newark, N.J., will establish a Canadian plant at 512 King St. E., Toronto.

Toronto Elevators, Ltd., will erect a large addition to the existing grain elevator on Queen's Quay, Toronto, to cost, together with equipment, about $400,000, according to G. C. Leitch, vice-president and general manager.

Mallinckrodt Chemical Works of Can., Ltd., is building an addition to the plant at 198 Front St. E., Toronto.

FLOUR PRODUCTION DECREASES IN JULY

Exports Also Down Slightly But Up to Great Britain

During July, 4,460,608 bushels of wheat were ground in Canadian mills compared with 4,815,792 bushels for the corresponding month of 1934. The decrease was 7.4 per cent. Corn, barley and mixed grains were higher than for July, last year, while oats and buckwheat were lower.

Flour production in July, 1935, amounted to 992,340 barrels, compared with 1,072,747 barrels for the same month last year.

Flour exports during the same month were down slightly although there was some improvement in shipments to Great Britain as indicated in the following table:

Canadian Flour Exports

	1935	1934
Great Britain	208,257	201,382
British West Indies	59,793	51,368
Newfoundland	23,339	34,449
Hong Kong	16,292	18,717
Japan	14,084	11,350
Philippine Islands	10,813	7,623
United States	10,037	22
New Zealand	7,061	6,098
Norway	6,345	11,384
British Guiana	4,953	3,585
Netherlands	4,740	4,220
China	4,011	2,350
Other countries	25,507	55,500
	395,232	408,028

New Products

Electromatic Writing Machine—with rubber cushioned motor which operates at constant speed on any frequency and all operations performed by just a touch of the finger such as returning the carriage, back spacing, tabulating, changing tabular stops, etc., has been put on the Canadian market by the International Business Machines Co., Ltd.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle,	$7.10	$7.00	$6.00
Hogs	10.00	10.00	9.50
Copper, lb.	.08½	.08½	.09
Cotton, lb.	.1070	.1065	.1340
Rubber, lb.	.1143	.1179	.1575
Sugar, raw, lb.	.0345	.0345	.0286
Silk, lb.	1.90	1.82	1.17½
Wheat (Man.) bus.	.88¼	.81¾	.83⅝
Coffee, lb.	.06⅝	.06⅝	.09¾
Weekly Indices			
N. Y. Annalist	126.2	126.3	120.8
Fishers'	84.5	84.3	†83.8
N. Y. Journal of Comm.	81.7	79.8	79.4
Crumps (Brit.)	64.9	65.	†64.4
U. S. Labor	80.5	80.8	77.5
Canada (D.B.S.)	71.4	71.8	71.8

† Average 1934.

Monthly Indices Canada (D.B.S.)	Latest month	Prev. month	Same month last year
Retail (July)	78.8	78.8	78.2
W'sale (July)	71.5	71.5	72.0
U. S. Labor (July)	79.4	79.8	74.8
Gt. Brit. (June)	68.1	68.6	65.3

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; select bacons. Toronto.

Expect Small Wool Drop in 1935 World Output

A three per cent decrease in wool production in 12 countries which produce about 60 per cent of the world total is in prospect this year, according to the U.S. Bureau of Agricultural Economics.

Reductions in Australia and the United States so far appear to offset increases indicated in the Union of South Africa, New Zealand, and a few European countries. But there is prospect that production estimates for Australia may be increased, should weather conditions improve.

World supplies of wool are likely to be less than in recent years.

Luxury Demand

Apparent consumption by Canadians of articles not usually considered as absolute necessities has been estimated by the Dominion Bureau of Statistics for the years 1932 and 1933. Value of such goods in 1932 amounted to $296 millions and in 1933 to $268 millions. In both years tobacco, beverages and foods were the most important items, in that order.

Business Indicators

Retail Sales—Seasonal declines in practically all groups carried the index of retail sales to 63.5 in July from 71.6 the previous month, but the figure was more than four per cent above the same month last year. Some of this increase must be attributed to an extra selling day this year. All groups, with the exceptions of restaurant and candy, were above July, 1934.

Flour—Flour production in July amounted to 992,340 bushels from grinding of 4.5 millions of wheat. This represents a decrease of more than seven per cent from July a year ago. Mill stocks of wheat at the end of the month amounted to 8.4 million bushels, as compared with 8.9 millions in 1934.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest 1935	1934	Cumulative Total — Jan. 1 to date 1935	1934
Transportation—				
Car loadings (Aug. 31)	▲47,380	52,888	909,332	970,899
C.P.R. gross earn. (Aug. 31)	$ ▲3,868,000	$ 3,948,000	$ 78,590,000	$ 78,856,000
C.N.R. gross earn. (Aug. 31)	$ ▲4,949,725	$ 4,886,852	$ 109,229,048	$ 107,022,440
Business Conditions—				
Weekly index D.B.S. (Aug. 31)	▲98.7	97.3	......	......
MONTHLY DATA	1935	1934	1935	1934
Business Conditions—				
Financial Post index (July)	103.4	96.6	......	......
Transportation—				
C.P.R. net earnings (July)	$ 1,526,181	$ 1,511,481	$ 7,588,200	$ 9,565,894
C.N.R. net revenue (July)	$ 1,121,381	$ 688,445	$ 3,300,446	$ 5,066,986
Iron and Steel (July)—				
Pig iron production (tons)	50,513	36,759	310,290	194,586
Steel ingots and castings prod. (tons)	86,101	66,647	474,264	464,169
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	6,249	5,506	62,982	49,606
Factory output (July)	9,471	8,407	99,798	75,491
Trucks and Buses:				
Domestic sales* (July)	1,109	1,126	12,113	7,885
Factory output (July)	3,598	2,707	24,537	17,607
Exports (July)	5,105	6,598	38,683	30,509
Construction—				
Building permits (July)	$ 4,266,224	$ 3,257,470	$ 28,895,295	$ 13,668,847
Contracts awarded (July)	$ 18,549,240	$ 11,190,500	$ 94,143,700	$ 72,107,200
Newsprint (tons)—				
Production (July)	234,266	208,258	1,519,169	1,469,891
Exports (July)	▲219,461	212,845	1,383,009	1,353,298
Sugar (lb.)—				
Melting & shipments§	99,797,793	100,372,675	482,070,793	404,299,272
Manufactured§	95,073,668	95,041,690	479,441,404	411,448,713
Flour (bbls.)—				
Production (July)	▲992,340	1,072,747	7,126,448	7,673,418
Wheat flour exports (July)	395,232	408,028	2,638,217	2,941,639
Trade (July)—				
Imports	$ 48,414,397	$ 44,144,509	$ 308,786,790	$ 291,534,359
Exports	$ 56,239,187	$ 56,121,112	$ 356,504,336	$ 345,780,174
Wheat exports (bush.) (July)	9,158,035	12,979,231	54,163,556	77,700,575
Employment, D.B.S. Index—				
All industries (Aug. 1)	101.1	99.9	......	......
Manufacturing	99.8	94.2	......	......
Electric Power Output (July)—				
Total monthly (000's omitted)	1,790,546	1,708,632	13,170,299	12,083,016
Aver. daily	57,759,000	52,300,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (July)	101,926	140,000	689,091	767,659
Boot & shoe prod., pr. (June)	1,756,304	1,726,529	10,664,240	9,307,372
Crude petrol., imp. gal., (July)	133,650,600	116,883,335	576,275,333	545,038,318
Cotton imports, lb. (July)	9,912,771	8,280,941	60,964,630	80,905,086
Raw rubber imp., lb. (July)	▲2,954,800	5,442,703	32,894,567	36,422,867
Coal imports, tons (July)	1,432,749	1,545,787	6,578,735	6,746,709
Finance—				
Bank debits (July)†	$ 2,545,102	$ 2,767,400	$ 17,761,238	$ 18,210,112
Bond sales (July)	$ 62,407,233	$ 68,252,100	$ 343,449,574	$ 258,434,159
Life insurance sales (July)	$ 32,155,000	$ 33,951,000	$ 213,712,000	$ 222,036,000
Automobile Financing—				
Used cars (July)	$ 2,109,499	$ 1,714,419	$ 13,582,085	$ 8,725,391
New cars (July)	$ 2,531,943	$ 1,910,377	$ 16,664,529	$ 11,550,351

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Aug. 10.

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Merchant of Flowers

Toronto Exhibition Honors Man Who Built Famous Business by Merchandising Cut Flowers—T. W. Duggan is Peel Pioneer Who Went to Work at Age of Thirteen

By RALPH RAMSAY

Forty years ago a mercantile agency sought a financial statement from a man named Harry Dale of Brampton, Ontario. Mr. Dale didn't have one. So he asked the agency to recommend some one to do the job for him.

"There's a smart young chap at the court house," they said. "He might do the job after hours."

Thus it was that Harry Dale hired Tom Duggan to look after his books for a year. No salary was stipulated—it was to depend on results.

The results were excellent and for five years these two worked together—the one at his business of growing flowers—the other as business manager of a rapidly growing enterprise.

Death Intervenes

In 1900 Harry Dale died. His father (who started the business) and his three younger brothers were all alive, but following the old English custom of "primo-geniture" the business had been deeded entirely to Harry as the eldest son, and he (in turn) had named as heirs his young son and five daughters. He also named two executors, one of whom was Thomas Duggan.

Shortly afterward the other executor died; so did Harry Dale's only son. This left Mr. Duggan as sole and managing executor of Dale Estate, Ltd. His job was to manage and develop the property on behalf of the five daughters of Harry Dale. Policy and management were in his hands; the growing and "plant" delegated to Harry Dale's three young brothers all of whom are still alive and active in the business.

Mr. Duggan gave up active management two years ago, prior to his 75th birthday. In the intervening years he built a business known wherever cut flowers are grown and sold commercially. An enterprise that has dubbed Brampton as Canada's Flower Town and which ranks as one of the largest of its kind in the world. A few days ago fellow directors on the board of the Canadian National Exhibition met to honor him for years of service in the interests of Canadian horticulture.

Roses Versus Vegetables

The story goes back, of course, beyond the day early in 1895, when Harry Dale was asked for a financial statement.

The flower business started in 1870 when Edward Dale (father of Harry) carried on a small business in vegetable gardening at Brampton. He had a little greenhouse (18 ft. by 24 ft.) which he used to grow lettuce, radish and other vegetables. More than that he had an Englishman's love of flowers which prompted him to import from the Old Country a rambler rose to train around his greenhouse.

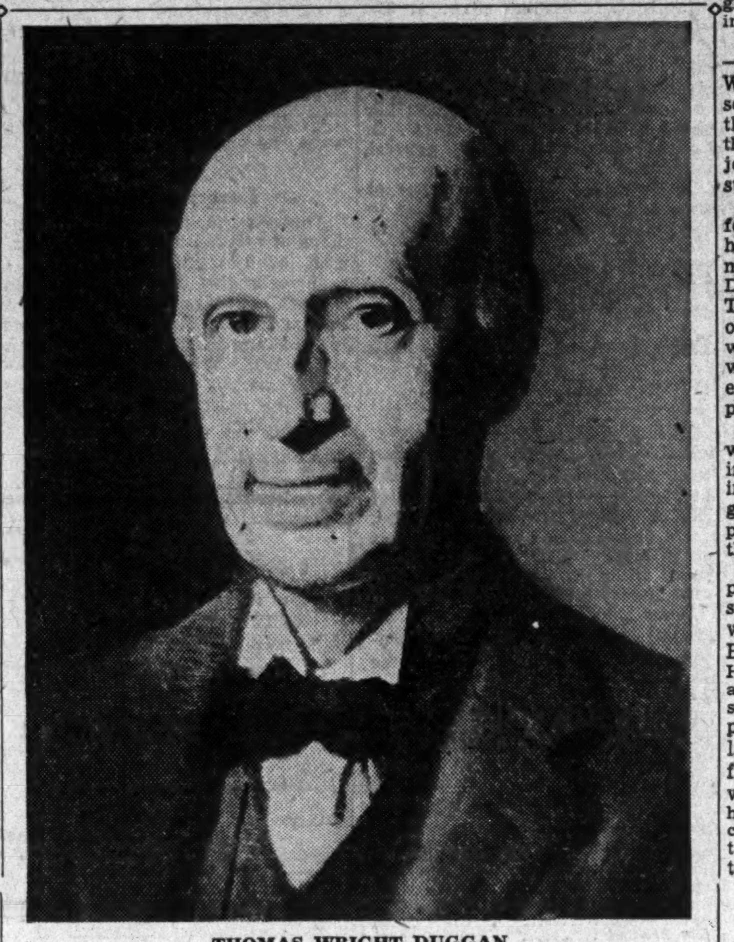
Those who came for vegetables admired the beautiful roses and it became a Dale custom to give a rose to each customer. Soon the chief business became the growing of flowers instead of vegetables. By 1895, the Dales had something like 75,000 square feet of greenhouse, with markets as far distant as Windsor and Montreal. They even shipped flowers to New York. Wherever the flowers were sold they were noted for their quality.

Son of Chain Store Pioneer

At the time Harry Dale and his father started growing flowers in earnest, Thomas Wright Duggan was a boy of 12 attending school at Brampton. Born four miles south of Brampton in the village of Churchville, he passed his entrance examinations at age 10 and for three years attended grammar school in the county town. His father was an Irishman, William Duggan who founded a milling business in Churchville. Today he would be called a chain store proprietor for he pioneered in operating two branch stores as well as his main store at Churchville.

$2 a Week

At age 13, family circumstances forced Tom Duggan out of school into the law office of D. L. Scott. The pay was only $2 a week but a foundation was even then being laid for a successful business career by purchasing lacrosse shoes wholesale and retailing them to the players at a profit of ten cents a pair. The next year he bettered himself by a job in Kenneth Chisholm's general store at $3 a week. He was no stranger to this business having for several years run messages for Chisholm's after school and on Saturday's. Two-thirds of his wages went to his mother—the rest was available for clothes and entertainment.



THOMAS WRIGHT DUGGAN

From an oil painting by another Peel County boy—Curtis Williamson, who achieved fame in the world of art while his lifelong friend—Tom Duggan—became a leader in Canadian horticulture.

The painting was done a few years ago and was hung this year in the Art Gallery at the Canadian National Exhibition.

At 19 he had risen to be deputy sheriff of Peel County under the man who fourteen years later became his father-in-law, Robert Broddy—first sheriff of Peel County. Not only did he perform what in those days was a very exacting and responsible office but he found the time as well to sell insurance, manage a booking office for concert parties; act as secretary to the town and county bench. He well earned the recommendation given him by the mercantile agency which advised Harry Dale.

Merchandising Flowers

It did not take him long to put the Dale business on a sound basis, and make important innovations in the merchandising of flowers. Unprofitable lines such as orchids were weeded out. So was that bugbear of all business—bad debts. Finding that almost two-thirds of the firm's accounts were uncollectible he sought permission to make a drastic innovation namely that all accounts should become due and payable on the 15th of the following month. Harry Dale feared it would ruin the business, but the plan was a great success and has been continued as a primary rule of the business to this day.

$15,000 Nest Egg

When he joined Mr. Dale in 1895, he urged two important steps. First that he should make a will. Second that he should take out life insurance. Fortunately both these suggestions were followed, for Harry Dale had paid but three premiums on his $15,000 policy when his death occurred in 1900. This money, plus additional funds Mr. Duggan was able to raise on his own personal note, provided a basis for further expansion.

Dropping the Middleman

Another innovation made by the new business manager was to eliminate as far as possible all "middlemen" in the sale of flowers. A common practice in that day was to ship flowers to commission houses—particularly in such centres as New York. By establishing contacts directly with retailers who sold the flowers to the consumer, Mr. Duggan saved almost 20 per cent.

Building Goodwill

Direct customer contact became also a guiding principle of the business and Mr. Duggan is justly proud that there are very few of the firm's many thousand customers he has not either met or known personally. He never visited a community where Dale flowers were sold without making it a point to drop in and thank the local florist for his patronage, and urge him if at all possible to visit the greenhouses at Brampton, where these visitors were always treated as personal guests.

Other fundamentals were to pay cash for everything he bought and always to be at his desk a few minutes before 9 o'clock each morning. Though he served as managing executor of the estate for 15 years and subsequently as general manager for 18 years, he never once wavered from this inflexible rule of punctuality. Scrupulously punctual in all his habits of life he believed in setting an example to his employees by being always at his desk before the day's work began. He sought employee cooperation also by a policy of round table discussion with those concerned in any new development or change in policy.

Never Disappoint a Customer

Flowers (like news) are a highly perishable commodity. This meant that flower growers, to be successful, must ever be watchful to save minutes and seconds, in everyday transactions. Through the cooperation of Postmaster-General Mulock (now Sir William) Mr. Duggan was able to arrange what at that time was a unique innovation in this country—namely a special postal box on the train for "Dales."

This meant that postal clerks on the Brampton run sorted their letters into two divisions—letters for Brampton and letters for Dales. As soon as the train arrived in the station a special Dale messenger would collect the letters in the Dale box and take them immediately to the office, thus avoiding the customary trip to the local post office, to be sorted in the regular way.

Similarly he was one of the first executives to see the advantage of a direct telephone connection to his chief market—Toronto. He arranged a direct two-way line in 1910 at the then heavy cost of $2,400 annually. In this way he facilitated his aim never to disappoint a customer—an aim carefully maintained even though in one instance it meant personal delivery, in his own car, to fill an order from Owen Sound.

A Tale of Orchids

Orchid-growing was abandoned at Dales in the late nineties as unprofitable. The story of how Dales came to get back into the business (they now have over 70,000 plants and rank as one of the leading growers on the continent) is an interesting one.

Fine flowers are temperamental—so are the men who grow them. Which perhaps explains why Hanson—a Danish grower of lily-of-the-valley at Dales—tried no less than seven times to throw up his job. Each time Hanson was persuaded to return to his work.

Mr. Duggan knew well the reason for his discontent—it was not that he didn't like Dales but that he missed his beloved orchids. So Mr. Duggan made Hanson an offer. Told him he would buy him some orchid plants as an experiment if he would stay. How many did he want? Four kinds—fifty plants each. A special order was despatched to England.

That was thirty years ago and by wise purchases in South America, in England and in Europe—plus infinite and expert care in the greenhouses at Brampton—a fine, profitable business developed in these strange exotic flowers.

At one time a demand arose for pure white orchids—then very scarce. Mr. Duggan was in England when he heard that a man in Belgium had some very fine stock. He crossed the channel immediately and bought the entire stock consisting of some 200 plants. The purchase stood Dales in good stead later on when a special order came from New York for two dozen pure white blooms at a certain day and hour that week. So eager was the customer that he sent a special man to Brampton to take delivery of all that could be supplied.

Low Price Policy

One reason for the success of the orchid business was Mr. Duggan's policy of making these flowers available at the lowest possible price. Orchids in the old days were fabulous in price—were available only to the very wealthy. Dales calculated their costs carefully then set a price which netted them a fair profit. It was far below the prevailing tariff which caused bitter comment in the trade. In the long run it opened a much wider market than had hitherto been possible.

In the same way, Mr. Duggan introduced thirty years ago the "week-end special" whereby surplus flowers were cleared out at the week-end at half-price rather than be wasted. This also was deemed a disturbing move by the trade but eventually proved its worth by achieving an aim constantly held by Mr. Duggan of making flowers available to the greatest number of people. He believes that the beauty and fragrance of flowers is a thing that grows on people and that once they get in the habit of buying them they tend to become regular customers whenever they can afford the luxury.

Added to this was rigid adherence of the original Dale policy of growing the finest quality of blooms—a policy which has earned the company scores of awards in all parts of the continent and has built a business now boasting some eight miles of greenhouses with 2,000,000 square feet of glass and covering 351 acres The company also operates a dominion-wide florist supply business — commenced about 30 years ago to meet a demand from the trade for a reliable source of supply for these accessories.

Wide Interests

Apart from Dales, Mr. Duggan has wide interests. A charter member of the Brampton Excelsior Lacrosse Club he played the game himself for over 12 years and for nearly sixty years has actively sponsored an organization known everywhere in the world where lacrosse is played. In municipal affairs he is an ex-mayor of Brampton and active in hydro, waterworks, Mothers' Allowance and Children's Aid Society work.

For fifty-five years a member of the official board of Grace United Church he has also held the highest offices open to laymen in the Methodist and United churches throughout Canada. He has always been associated with Sunday school work in the seventy or more years he has lived in Brampton. For 18 years he was superintendent of the school of Grace Church, and for another 18 years conducted a young peoples class. When remonstrated with for working so long and so hard in this field he has often said: "I can never repay what the church has been to me or what it has done for me."

A voracious reader, his favorite books are biographies; his favorite hobbies—newspapers and his garden. Besides punctuality, he is a stickler for correct grammar and spelling.

His association with the exhibition at Toronto dates back to the Provincial Fair of sixty years ago where he was assistant treasurer. As a director of the Canadian National Exhibition for the past nine years he has been chairman of the horticultural section of the fair and a spokesman for the florist trade in whose counsels he has always been active. In that period he has transformed the Horticultural building of the C. N. E. into a well-planned, artistic display.

Master of Harmony

A man who has been closely associated with Mr. Duggan and his work said recently: "One of the greatest gifts is his ability to keep people working in harmony—to coordinate personalities into the smooth operation of the whole. He believed too in picking men out carefully for responsible positions and showing his confidence by not interfering subsequently."

And when the Canadian National Exhibition directors honored him, a few days ago, Thomas Bradshaw remarked:

"There is one gentleman whom the directors of this association greatly honor. We esteem him for his fine and dependable character; we admire the way in which he accomplishes things in a very unassuming manner. I refer to Thomas W. Duggan."

REORGANIZATION SEEN IMPERATIVE FOR BROWN CO.

Issues Explanatory Statement Regarding Bond Interest Default

From Our Own Correspondent

MONTREAL.—A plan of reorganization, involving a reduction of fixed charges in order to meet present conditions, is considered imperative by the management of Brown Co. if the business is not to be seriously endangered and the rights of the company's creditors prejudiced.

Last week Brown Co. announced that it would be unable to meet the interest on its series "A" and "B" bonds, amounting to over $24 millions. The reasons for this action have been set forth in an explanatory statement, a copy of which follows:

Statement

"During the last four years, notwithstanding very heavy losses which were common to the pulp and paper industry generally, the company has continued to pay its bond interest. Until lately it has fully met all sinking-fund payments in the expectation that there would be sufficient recovery in the volume of profitable business in time to justify such a policy, and there has in fact been a substantial increase as expected in the volume of the company's business during the first half of its present fiscal year.

Wages Up

"On the other hand the company was obliged this spring to increase its wage scale. Higher freight rates went into effect applying to pulp shipped from its Canadian mills to its mills in New Hampshire and the price of raw materials used in the manufacture of its products increased. In addition to all these adverse factors affecting the cost of operation and quite unavoidable, price-cutting was renewed in the industry upon the collapse of the N.R.A. Consequently during the last three months of this year the company has suffered additional losses and has now reached the point where it cannot further deplete its resources by payment of bond interest, without seriously endangering its business operations as well as prejudicing the rights of the company's creditors generally.

"This situation has also forced the management lately to the conclusion that the company must consider some plan of reorganization of its capital structure involving a reduction of fixed charges in order to meet the conditions with which it is now confronted. To that end, as soon as reasonably possible the management will present to you a comprehensive plan for a financial reorganization of the company, accompanied by a statement of its financial and business condition to aid you in your consideration."

Charles Francis Adams has been named chairman of the bondholders protective committee. Other members of the committee include Ernest M. Hopkins, president of Dartmouth College; Serge Semenenko, vice-president of the First National Bank of Boston; John R. Macomber, chairman of the First Boston Corp.; Robert Braun, director of the Maine Central Railway and Sherman Danon, of Whiting, Weeks and Knowles, Inc.

"I'm sorry, but Anne is in bed. She has the sniffles and I can't let her go to school or play with anybody until she is well again."

WISE mother. She knows that sniffles may be the forerunner of any one of several infectious diseases and she helps to protect other people's children while she protects her own.

A mild case of sniffles may seem so unimportant at first that little or no attention is paid to it, but it may be the warning symptom of a threatened attack of measles, whooping cough, scarlet fever, diphtheria or influenza. These diseases, combined, cause about one in every five deaths of children between the ages of one and nine.

The child who is "coming down" with one of these diseases is likely to spread the germs in class at school or to give them to other children at play.

An attack of measles may be a simple affair, soon over; but sometimes it causes serious complications—injured eyesight, deafness. Whooping cough may so reduce resistance that the child is more susceptible to pneumonia or tuberculosis. Scarlet fever frequently affects the kidneys and ears. All of these diseases—including diphtheria—may affect the heart and leave it permanently weakened.

If your boy or girl seems well one day and develops a case of sniffles the next, the child should be kept at home under close observation and should not be permitted to play out-of-doors or with other children. If there is no improvement within twenty-four hours and the child is feverish, send for the doctor.

Any or all of the following booklets will be mailed free on request: "Measles," "Whooping Cough," "Scarlet Fever," "Diphtheria," "Colds, Influenza, Pneumonia." Address Booklet Department 9-F-35.

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Directed by CHARLES J. COLLINS

1002 Union Guardian Bldg., Detroit, Michigan

Position of Chartered Banks of Canada as of July 31, 1935, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Balances Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	29,254,452	10,654,124	7,231,358	....	147,563,701	395,041,009	66,390,393	2,285,782	6,056,018	3,608,875	172,948
Nova Scotia	10,540,218	298,231	473,327	....	37,319,443	136,934,496	38,293,634	2,440,544	328,610	1,433,170	200,481
Toronto	5,083,540	65,822	1,105,977	....	25,676,232	66,170,651	....	467,058	339,532	1,332,080	322,400
Provinciale	3,385,558	153,508	174,189	....	5,429,667	33,200,168	....	....	....	50,561	....
Commerce	24,498,606	1,570,129	11,766,417	....	115,606,082	289,794,898	51,110,605	2,168,772	1,161,159	6,280,756	10,185
Royal	29,115,027	1,743,334	10,449,444	....	145,601,175	276,779,238	177,351,134	364,490	447,303	8,273,330	601,759
Dominion	5,831,070	326,006	483,728	....	26,735,930	65,003,404	3,911,873	2,118,794	105,691	488,253	11,317
Nationale	6,503,864	372,501	1,098,327	....	20,429,228	83,586,912	1,192,615	776,513	25,953	244,258	....
Imperial	6,783,388	747,080	1,983,167	....	26,621,813	77,124,905	....	1,065,460	553,377	1,100,171	....
Barclays (Canada)	268,740	90,632	80	....	2,027,825	4,318,048	....	871,120	3,706,534	1,213,594	26,181
Total	121,264,463	16,021,367	34,766,014	....	553,011,096	1,427,953,729	338,250,254	12,558,533	12,724,177	24,025,048	1,345,271

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$
Montreal	7,483,093	1,723,853	729,546	38,000,000	36,000,000	752,195,159
Nova Scotia	6,032,684	114,914	7,383	24,000,000	12,000,000	270,417,141
Toronto	1,187,913	....	151,403	9,000,000	6,000,000	116,902,612
Provinciale	68,561	9,848	4,511	1,000,000	4,000,000	47,476,575
Commerce	15,133,603	....	606,500	20,000,000	30,000,000	569,707,717
Royal	23,002,818	82,812	715,049	20,000,000	35,000,000	729,526,920
Dominion	2,695,638	308,749	2,809	7,000,000	7,000,000	122,023,267
Nationale	720,386	160,390	147,459	5,000,000	7,000,000	127,258,411
Imperial	1,577,928	....	175,946	8,000,000	7,000,000	132,733,238
Barclays (Canada)	65,743	....	....	750,000	1,500,000	14,838,503
Total	57,968,367	2,400,566	2,540,606	132,750,000	145,500,000	2,883,079,542

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are partners	Average Notes and deposits with Bank of Can.	Greatest amount of Notes in Circ.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	1,272,440	58,891,425	31,103,522
Nova Scotia	15,000,000	12,000,000	12	2,521,889	26,530,755	11,112,030
Toronto	10,000,000	6,000,000	10	607,628	9,212,950	5,518,185
Provinciale	5,000,000	4,000,000	6	647,626	2,170,086	3,617,663
Commerce	50,000,000	30,000,000	8	4,326,505	43,316,485	26,831,997
Royal	50,000,000	35,000,000	8	2,099,201	38,351,170	31,282,776
Dominion	10,000,000	7,000,000	10	1,219,512	7,228,063	6,542,935
Nationale	10,000,000	7,000,000	8	431,669	10,536,321	6,756,524
Imperial	10,000,000	7,000,000	10	512,850	7,485,592	6,783,388
Barclays (Canada)	1,500,000	1,500,000	....	....	777,307	310,085
Total	211,500,000	145,500,000	....	13,639,330	207,500,154	129,859,105

* And loans for which they are guarantors

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canada	Cheques on other banks	Balances due from other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,821,543	199,253	12,356,410	48,202,632	1,745,591	509,343	21,900,773	1,255	2,534,881	31,435,007	188,339,395	126,017,270	26,262,272	3,410,881
Nova Scotia	400,050	1,467,540	2,394,181	23,460,539	507,110	2,911,636	9,236,217	....	434,185	10,468,100	25,622,213	47,146,596	12,477,353	925,636
Toronto	233,427	....	1,309,317	9,735,241	330,215	71,150	5,012,692	....	742,112	1,978,645	8,952,815	30,025,497	5,332,769	36,721
Provinciale	200,864	....	680,262	1,645,189	292,870	53,788	1,658,205	1,879,498	11,792	135,358	1,265,147	6,500,636	8,723,790	....
Commerce†	864,687	404,484	4,186,153	39,375,256	1,161,755	896,157	14,953,213	13,708	748,382	17,888,034	94,865,002	71,661,139	11,007,591	19,605,993
Royal‡	1,343,439	6,263,394	5,438,467	29,706,224	1,440,251	16,611,385	18,389,445	1,735	6,604,450	30,183,280	61,083,387	92,364,286	6,641,750	13,979,446
Dominion	276,883	633	1,614,990	3,505,763	474,580	109,873	4,707,315	390	232,465	1,585,092	10,799,849	21,841,452	4,507,835	....
Nationale§	534,307	899	2,039,644	8,378,743	546,190	93,542	3,116,265	845,454	42,923	662,045	9,387,974	17,878,934	17,852,963	320,603
Imperial	407,771	....	2,968,135	5,081,183	395,690	69,996	5,130,665	614,290	329,421	1,259,614	994,385	27,378,591	5,372,008	....
Barclays (Canada)	2,244	....	78,412	825,824	9,325	943	810,733	1,594,731	2,713,615	888,618	1,495,732	3,861,660	174,135	....
Total	6,075,215	8,336,203	33,065,971	169,916,594	6,903,577	21,327,813	84,915,523	4,951,061	14,394,226	96,483,793	402,805,899	444,676,070	98,352,466	38,279,280

NAME OF BANK	Other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	7,426,493	3,850,763	20,460,795	172,280,029	15,052,318	2,453,866	38,031,393	3,813,107	674,334	833,480	14,500,000	1,686,426	276,503	753,559,119
Nova Scotia	9,279,708	5,249,834	2,035,107	78,193,951	13,137,722	427,303	7,980,414	809,693	....	103,063	7,234,022	558,561	2,835,981	271,329,413
Toronto	1,423,003	3,152,312	....	38,779,701	....	....	4,976,619	476,859	....	49,867	3,594,776	335,033	....	117,726,693
Provinciale	2,848,075	4,444,376	....	12,854,230	....	....	1,000,353	132,196	660,741	377,957	2,117,232	200,000	96,364	47,847,492
Commerce†	6,503,672	17,945,619	12,773,713	156,824,127	21,397,608	7,300,086	25,993,659	3,898,718	2,511,068	2,458,012	14,587,154	1,275,000	4,405,817	570,639,417
Royal‡	12,474,836	21,970,029	20,797,798	213,995,739	104,238,434	1,473,830	10,069,117	4,297,035	3,232,245	803,585	16,272,167	1,647,901	7,155,016	731,481,494
Dominion	2,696,948	9,179,027	3,865,332	46,121,811	370,821	....	1,108,461	386,131	81,986	36,402	5,901,809	340,000	196,814	122,638,313
Nationale§	3,882,223	4,757,120	....	34,463,757	59,268	1,459,413	11,791,062	405,181	1,242,377	394,857	6,069,936	380,506	441,471	127,768,047
Imperial	125,888	5,853,927	....	57,909,898	....	4,701,657	6,229,437	268,658	272,019	406,482	5,890,832	466,902	214,185	133,919,571
Barclays (Canada)	10,950	634,580	....	1,199,650	....	....	....	12,547	....	....	450,000	16,696	....	14,846,153
Total	46,671,796	77,037,587	59,932,745	812,622,893	154,256,166	17,816,145	107,180,515	14,500,125	8,674,770	5,463,705	76,617,918	6,907,025	15,622,151	2,891,755,712

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

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SECOND SECTION

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Quintuplets Limited

Million Dollar Peep Show Flourishes at Callander—Dionne Babies Bring Wealth to Themselves, Their Parents and Canada—200,000 Tourists Make Pilgrimage

BY WELLINGTON JEFFERS

As a business the Dionne Quintuplets (strictly limited) flourishes. It flourishes because there are no living competitors the whole world around. It is a perfect example of a benevolent and natural monopoly.

These quintuplets got into business life shortly after the day they were born. They appeared one by one in the early morning hours of May 28, 1934, in the following order: Yvonne, Annette, Cecile, Emilie and Marie. The father, Oliva Dionne, is reported by Mrs. Labelle, elder of the two mid-wives present, to have ejaculated in the course of the dark hour following the birth throes—"Mon Dieu, what am I going to do with five babies? It would have been bad enough to look after one." Madame Dionne thought she had given birth to twins and cried when she was told there were five.

Money-making Infants

Those were natural reactions from the owner of a 200-acre bush farm and from his wife. But their fears were groundless. The infants have not been the slightest burden to them. In fact, they have taken their parents over. They are now paying Oliva Dionne $100 a month. Canada's best money-makers must admit that that is good going for infants only 15 months old.

Earn Their Own Way

There are probably thousands of younger babies who are wealthier as a result of good judgment in selecting rich parents. But these babies are earning their own way. Their parents could give them nothing but life and their charming names. The Ontario Government and Legislature is giving them an alert oversight and they have the goodwill of all citizens of the civilized globe who have heard of them and of all associations desiring and working for better lives for babies. But they are not taking any charity from anybody. They have built their present residence out of their own funds and are paying their way as they go. If all five live long enough they will eventually be wealthy and they should also be healthy and wise, if they are allowed to continue under present auspices. Laws have been passed about them. The whole province in a sense is fathering and mothering them. But they are no drain on the taxpayer. The latter pays not a single cent.

Attract Tourists By Thousands

And, if dollars talk sense, they are not ungrateful. Their spontaneous exhibitions of baby charms twice daily at Corbeil bring thousands of people every day by motor car to their home. Probably the lowest quota of daily visitors this summer was 2,000 and the highest total exceeded 7,000.

It was rare on any day during the summer season just ended not to see at least 100 cars drawn up on both sides of the widened road near where the quintuplets live as the hours of 11 a.m. and 3 p.m. approached. Often there were many hundreds of cars present. These showed license plates from Florida, Texas and California, New York, Pennsylvania, Ohio, Maryland, Michigan, Illinois, Maine and Vermont the day this writer visited the scene of the multiple birth. The Maine car had entered Canada in Nova Scotia, and had travelled to Callander, where Dr. A. H. Dafoe lives, and Corbeil, where the quintuplets reside, on Canadian roads entirely. These and other cars spent tourist money, according to the needs of each party, at various points in Canada but mainly in the region from Quebec and Montreal on the east to Sault Ste. Marie on the west.

Americans Spend Millions

There have been nights when every available source of accommodation in hotels, homes with spare rooms and tourist camps has been filled for 50 miles around by tourists who are on their way to or from seeing the quintuplets. Of course, many of the tourists are Canadians, possibly the majority; but it is estimated that $3 millions of United States money have been spent in Canada this summer as a direct result of interest inspired by the quintuplets. An exact estimate is not possible but Dr. Dafoe himself believes millions of dollars have been left in Canada this way. Probably 200,000 people saw the quintuplets this year.

While the representative of The Financial Post was talking with Dr. Dafoe—and it was not a long conversation—five United States cars drew up successively before his red brick house at Callander. If that continues day after day and hour after hour through the tourist season, one would expect Dr. Dafoe to believe United States citizens had moved en masse on Canada with Callander as Mecca.

They did do so in tens of thousands without a doubt and it will be a world's wonder if the doctor does not welcome those days when a blizzard and a falling thermometer relieve him of all but his paying clients. But no trace of weariness is shown in his greetings. Only a man with a unique disposition of friendliness toward the whole human race could be so constantly interested in each new arrival, and that is why each man and woman in turn finds the minute of actual conversational contact well worth while and memorable.

The doctor is himself a major tourist attraction. He welcomes anything which brings people to Callander and introduces them to the beauties and salubrities of the northern countryside, its lakes, rivers and hills, its fishing and its hunting On that point he is more genuinely enthusiastic than a real estate association and board of trade rolled into one could be.

Drove All Night

Thousands of these tourists see Canada for the first time. To many the quintuplets are the single drawing card but they remain to enjoy other things. One lady in Aurora, a few miles north of Toronto, was called to her front door at 11.30 p.m. one night in July and from the dark came the query. "Lady, can you direct us to the quintuplets' house?" She gasped, "Why, it must be 200 miles farther north."

"O.K., lady," came the reply."We've come all the way from Missouri, and we're not going to stop now. Good night." And he left her with the belief that they intended to drive all night in order to see the quintuplets on their first appearance at 8 o'clock the next morning.

Therefore whatever the quintuplets are getting in money is only a small commission on what they are bringing into Canada. What the doctor is getting is also far too little for his services to Canada and the quintuplets. I am told it is $25 a month. Most of what he does is gratuitous, but the hotelkeepers, the restaurants and the merchants should be grateful.

Midwives Cash In

Right at Corbeil itself, which is a very small hamlet, the chief money is made by the midwives who attended Madame Dionne on the morning the quintuplets were born. Madame Donalda Legros, 45 years old; and Madame Labelle, 57 years old, have their names on a commodious booth with free observation roof. It is built on their own land right at the corner of the enclosure around the hospital. There, to large crowds they sell for 25 cents each a pamphlet in which are given midwifery details of the extraordinary night of May 28, 1934. Writing paper with pictures of the babies at the top are offered for five cents apiece, including envelope, as well as pictures of Madame Labelle herself in which she is surrounded by 38 grandchildren (she was married at 16 years). Binoculars of a kind which sell in Toronto at $1.65 are rented for 25 cents each with a $2 deposit. Scores take these binoculars and install themselves on the roof to avoid a long wait with the crowd before the opening of the large central gate. So did this writer, only to find that the quintuplets would be shown on the west verandah where no binocular that could not gather X-rays and pierce walls could descry them. But when objections were made the young man who did the renting seemed to think this was legitimate business.

Certainly the quintuplets could have been shown better on the front verandah. But that would imperil a source of revenue for the babies. It was asserted that certain enterprising people were trying to bootleg pictures from the roof by taking stamp-size shots through powerful lenses of cameras got up to look like binoculars. Even on the Western verandah while the babies were being shown, Nurse Lamoureux, with a militant devotion to the interest of the babies which awoke a cheer, threatened some binocular carriers that the babies would not be shown if they persisted in trying to take pictures. Her sharp eyes roving over the crowd had detected something not quite binocularish in binocular-like objects trained on the babies by two young men.

"How could a picture possibly hurt the babies?" they muttered, but the crowd was against them. It was endangering the bread and butter of the babies and incidentally of the parents. More of that later.

Pilgrimage Will Continue

It may be that in some museum of waxen horrors there are replicas of other multiple births. Births of quadruplets, quintuplets, sextuplets and even octuplets have occasionally been mentioned in newspapers, books and magazines during the centuries since history has been recorded. The birth of the five Dionnes would have been just a curiosity in nature like all the others if they had failed to live. But the fact of their triumphant survival is the marvel of marvels. There is no other recorded instance in the history of the world. The longer they live the more wonderful the fact of their existence becomes. The pilgrimage to Callander therefore is likely to be a continuous and growing thing in the tourist season so long as all live.

Cannot Insure Them Yet

The motto of the five Dionnes might well be "All for each and each for all." The money will keep rolling in only so long as all live. It is very important to the quintuplet business therefore that each baby should live and flourish. Every contract with makers of foods, clothing and anything else used for or by the quintuplets, giving them the right to advertise this fact, carries a clause that the contracts are immediately invalid if one should die.

Eight Sugar Daddies

There are only eight commercial contracts, payable over a term of years on monthly installments. There could have been 75 but the number has been limited so that the advertising value of the "quints" shall not be spoiled in any degree. The movie contract pays varying sums month by month. The rights given to the Toronto Star to use all photographs shown in Canada and to a United States firm to have the world rights, are remunerative.

The St. Lawrence Starch Co. advertising contract brings probably the least as it was written earliest, before it was realized just how valuable a concession was being given. That company has advertised that its "Bee Hive" corn syrup was given to the babies. The Canada Starch Co. is contesting this claim in the Courts, claiming that its Edwardsburg syrup was in the house at the time and may have been used. The decision is not expected for a few months.

Then the Carnation Co. advertises that its milk is used by the quintuplets and Libby, McNeill & Libby of Canada, Ltd., advertises that its

Five of a kind—Ontario holds high hand in world attractions.

tomato juice is being fed. Its plant is at Chatham. All these provide the wherewithal for the "quints" but the trustees also sell the right to use pictures with calendars and in other ways.

What a financial setback it would be to four if a fifth perished! Insurance against such an eventuality is prohibitive and in any case the Ontario law limits the amount that may be written on young children. Every year, however, the expectancy of life grows greater and the rates more moderate. In a few years there may be insurance policies on all and each, making the survivors the beneficiaries.

If the whole principal amount is provided by 1940 the guardians will be happy. They are not seeking a mountain of money as they are doubtful of the benefit of that. But they do conceive it their duty, next to conserving the babies' health and educating them well, to see that they are made independent for life as soon as possible. They have about $60,000 now in bonds, it is understood, but it is too soon to say that is a capital fund. They will want eventually, in addition to fixed assets about $200,000 in revenue producing securities and assets.

But the tourists can see the babies free. The tourists spend whatever money they do spend in getting to Callander and to Corbeil, a few miles from Callander.

A Showman Talks

Many visitors do not understand why there is no charge.

"Why," exclaimed one United States visitor in the writer's hearing. "Look at these thousands being admitted free to within 20 feet of the quintuplets every day and then being shown the babies one by one. They eat it up. They love it. Every one of these people would be glad to pay a good admittance fee. The guardians or trustees or whatever you call them are foolish not to do it and it is not fair to the babies. It would pile up money for them. I know that if I could have those babies and arrange appearances in Chicago, New York City and other United States cities it would mean a fortune for all concerned. The same thing would be true in Europe. They would really appear 'before the crowned heads of Europe' wherever those heads are still crowned. And they would make money wherever they go."

"How about it?" I asked Dr. Dafoe after telling him of this remark.

"I am often told that," he said. "There is one reason we do not do it. If we charged a fee it would give the crowds a right over the babies. They would say, 'You advertise there will be appearances at 11 a.m. and 3 p.m.' and when that time came they would resent waiting. The babies come first all the time with their present guardians, and the Government approves. They will not be wakened just to show them to the public and nothing will be done that is detrimental to their health. The public has a right to see them, we feel, but never at the expense of a baby's comfort or well-being. Because of the welfare of the babies we cut down their four daily appearances at the beginning of the summer to two. We would find it hard to do that if there was a charge."

May Go on Tour Later

It is by no means certain that the quintuplets will not go on tour when they are no longer babies. They will be taken to the public, it is possible, when they are old enough and it is considered safe to do so. But, if so, it will be to make the future of the quintuplets financially safe and only when their health is not likely to suffer. But that is a long way off yet, although an appearance under adequate health safeguards for the 1936 Canadian National Exhibition would be one of the greatest drawing cards ever yet devised by the authorities.

A crowd always gathers before the small frame house where live the Dionne parents and the older brothers and sisters of the quintuplets. Farther back from the road is a large barn surmounted by lightning rods. There are none on the house. This little house with its closed narrow windows and its one front door was where the quintuplets were born. The other young Dionnes who preceded the quintuplets and came into the world one at a time, play before it or in the large barn near by. They are growing up without fuss or palaver or scientific oversight. Those the writer saw were fine-looking children.

Are Sun-worshippers

But when one passes on to the hospital built for the quintuplets he gets in a contrast as violent as a blow in the face what modern medical science thinks needful for the well-being of children. That countryside gets very cold at times in the winter and it must surprise all the old-timers to see a building whose walls from four feet up to the red-tiled roof are windows. The sun has welcome access to every room and can reach almost every part of each living room at times during the day. There are curtains but on that cool day on August 27, when the writer was present all the windows were open and a strong breeze kept the heavy curtains alive. On the outside porch the Dionnes spend a lot of time in sleeping even when the thermometer strikes 18 degrees below zero. Below 18 degrees—and that does happen every winter on some days—the babies go inside.

Florida Wants Them

The Florida legislature passed a resolution offering the hospitality of that state every winter for the quintuplets. The state was willing to ask its citizens to erect the necessary accommodation, and to allow the guardians to decide on everything needed to protect the comfort and health of the quintuplets if only the babies would live there every winter. That would have been good business for Florida and how Floridans could have crowed over Californians if the offer had been accepted. That would have placed a cap on the state's reputation as a fine resort for northerners in winter.

Extols Ontario's Winter

But what a fine tribute to Ontario's winter when Dr. Dafoe declined! For him the winter holds no terrors for babies if they are properly housed and tended. Colds, for instance, are results of a germ disease which gains headway because people in winter coop themselves up too much in overheated houses where germs can flourish and where too little of the outside wintry air penetrates. That cold sparkling wintry air is welcomed at Corbeil in the quintuplets' hospital. But the doctor, the other guardians, the nurses and the Government would not welcome the King of England if he had a cold. The quintuplets have had no colds except once when a cold was brought in to them by an unnamed but known visitor.

Erect Germ-Proof Fence

That is why a high strong wire mesh fence surmounted by three or four strands of barbed wire, surrounds the hospital at a distance of 100 feet. The public stays outside this fence until the babies can be shown but there is still an inside fence which keeps them from 20 to 30 feet away. In this way fences can actually keep germs out. Then the babies are brought out one by one. One is inevitably reminded of royal babies being shown to loyal thousands in European capitals from an upstairs balcony. Here five babies are enthroned and many thousands of their enthralled subjects go away with the idea that babies should grow up in almost a royal isolation.

"This is about the best service the quintuplets can render," said Dr. Dafoe. "There are too many people still hold by the old idea that babies have got to have colds, chicken pox and a lot of other diseases and they might as well get them over early as late. They say that it comes easier on them if they have these troubles as babies or children. But that is not true. If they can be kept healthy all the time they are children they build up resistance for adult life and will be better able to stand the diseases then if they come."

Saves Operations Perhaps

"I suppose that some time or other you will have to have specialits take out their tonsils or adenoids or do other things for them," The Financial Post asked.

"That may be," admitted the doctor, "but if we can keep them free of colds and throat infections why should that be necessary? We hope it will not be needed."

"When will the time come that they can move out among other children as freely as their brothers and sisters?" Dr. Dafoe was asked.

"It will have to come some time but not for years yet. We intend that they shall have the best possible education. Already they can sing songs; by that I mean songs are sung to them constantly. When one takes it up all break out into tunes that are approximate to those sung to them. They are the children of French-Canadians and so they hear only French spoken around them. That is the first language they will know but they will know English and we hope they will be accomplished linguists."

This business of quintuplets is one that requires a lot of legal advice. Dr. Dafoe is law so far as the health of the infants, what they shall eat and drink and wear are concerned. That is what makes the advertising contracts so valuable because he uses what he thinks best for the babies and no money can induce him or the Government (so officials inform the writer) to do anything else even to add substantially to the wealth of the quintuplets.

Law and the Babies

But at every step of making these contracts and of doing anything at all for the welfare of the babies there is the law of the land and the interests of the babies to consider. The Ontario Government's legal department supervises all details of the contracts and negotiates the terms as it can do that best. But the second guardian, Judge J. A. Valin, French-Canadian judge of North Bay, is an invaluable aid to Dr. Dafoe in that respect. He is universally respected by French and English alike so that his advice on legal matters and the fact that he is guardian has added materially to the confidence of every section of the population that the best is being done for the babies that can be done.

The Ontario legislature did its bit by appointing the guardians and thus defeating the efforts of those who look upon the children as assets for showmanship.

Sublimated Showmanship

A wiser policy prevails. Showmanship will inevitably be present as long as all five live but how much better that the showmanship should be not only of a curiosity in nature but showmanship as to what modern medical science can do when given a full chance, and what valuable contributions an excellent environment can make in the education and training of children whatever their inherited aptitudes may be.

The possibilities are endless. Will these girls become talented musicians, linguists, artists? Will they be accomplished dancers, skaters, riders, golfers or gymnasts? Will they be just good, wholesome girls developing naturally and fully eventually into womanhood? Will they go on tour eventually? Will they take charge of Ontario Government exhibits and draw great crowds 20 years from now?

They will not realize the best if a grosser showmanship, eventually displaces the present wise guardianship. There is a cleavage as deep as the Colorado canyon between those who see only the money possibilities of the quintuplets and those who see in them a national trust. With every change of government and ministry there will be a period of anxiety until it is known what the new ministers want.

Accounts Strictly Kept

The writer asked Dr. Dafoe about the accounting side of the quintuplet business. The accounts are all kept at North Bay. "There are vouchers for everything," he said. "Not a dollar is received or paid out without a voucher. If any responsible body or person ever wants to investigate, there will be no data missing. I want that and Judge Valin is especially insistent. So far as the guardians are concerned we never want the interests of the babies to be imperilled as a result of a dispute or scandal about money."

Dr. Dafoe believes that the care being given the quintuplets in Corbeil demonstrates what any family can do to improve the health and well-being of their children by greater care and thought. The freedom from colds of the quintuplets is possibly the fact of greatest economic significance. What a saving in suffering and hundreds of millions of dollars throughout Canada and the world would occur if the terrific aftermath in fatal and weakening lung ailments of the common cold could be prevented in a large degree by making everybody know people with colds should be isolated or avoided. Even in Corbeil, a healthy neighborhood, children have colds. The writer enquired among residents and found that Corbeil differs not at all from other places in that respect.

Give Climate a Chance

Dr. Dafoe believes that Canada generally would be a much healthier place in winter time for children and adults if the climate were given a better chance. In other words, the Canadian climate in winter time is too much excluded from the houses and in its place artificial climates, which are favorable to germ breeding, are created in each individual house in the desire for warmth and comfort. He is not referring to modern ideas about air-conditioning which is in a category all by itself. That has not yet become a factor in the upbringing of the five. Warmth there must be but the winds of summer are just as healthful in winter as in summer if they are given a chance. Warmth, for instance, was essential for the seven-months babies when they were born but the winds that blow across Canada have free access to them now winter and summer even though people with colds are rigidly excluded.

Little has been said in this article about the father, Oliva Dionne, the third guardian, because he has refused to act. On August 27 workmen were on top of the hospital attaching heavy copper wires to lightning rods. As Mr. Dionne's barn is similarly protected one wonders if this suggestion came from him. Certainly lightning can be more deadly than 1,000 germs if they both strike in the same place, but where lightning kills its tens germs lay their millions low.

Aberhart's Tax Pyramid

Turnover Levies Would Lead to Bankruptcy; Eventually Perhaps Communism—Trade with Interests Outside Province is Big Problem

William Aberhart's scheme for "social credit" in Alberta involves payment of $10 millions a month, or $120 millions a year in free dividends to Alberta citizens.

Mr. Aberhart says so himself.

The question which arises in the normal mind immediately is: Where is the money to come from?

Credit Not Money

Mr. Aberhart answers first that it won't require money at all. The dividends will be paid in credit.

The credit so issued will be based, he says, on Alberta's natural resources. What's more, he claims it will be recovered by a provincial "levy." Even under "social credit" it appears that death and taxes (or "levies") are still the only certainties.

Incidentally, Mr. Aberhart's now famous "Social Credit Manual" says that his issues of "social" credits will be "a charge against the natural resources of the province." He quotes the Canada Year Book's appraisal of Alberta's wealth—$2,406,000,000, or $3,518 per person. He points out that this is next to the highest per capita wealth for any Canadian province. This figure is a 1929 guess at the total wealth.

Bluenoses may not be flattered by the comment: "Nova Scotia, the weakest of the provinces, has $1,769 per person." The inference is that Alberta can do more for herself than can other Canadian provinces. The Aberhart conception of capitalizing Alberta's wealth by issuing credits against it is apparently limited only by the whims of the statistician who estimates (or guesses) a round figure for the provincial wealth.

Taxation of Turnover

The proposed process of recovering for the Alberta credit coffers the $10 millions of monthly dividends consists of levies on turnover. It appears to involve the most enormous programme of taxation ever contemplated in this or any other country.

Still, Mr. Aberhart says: "This must not be a gigantic scheme of taxation." Whereupon he outlines his levy on turnover. Only he envisages it as a scheme to skim the cream off what he terms "unearned increments."

There is an enormous spread in price, says Mr. Aberhart, between the producer's costs and the consumer's price. This is his "unearned increment." To the business man, it is that shrinking beauty, "gross profit."

Would Reduce "Spread"

It is the aim of "social credit" to reduce this spread between the producer's cost and the consumer's price, says Mr. Aberhart. In a style reminiscent of that of radio's comic inventor, Col. Lemuel Q. Stoopnagle, Mr. Aberhart explains:

"On account of the increased turnover that will be produced by the augmented purchasing power through dividends, salaries, commissions and so forth, it is felt that the producer and distributor will be able to carry on their business with a closer margin of profit or commission on turnover. Thus the province will be able to collect a levy that will provide the basic dividends to distribute to the various citizens."

Example of Wheat

It sounds less enticing, in the form of an example. Mr. Aberhart applies it to the processing of an imaginary bushel of wheat.

Suppose, he says, a farmer is allowed a price of 60 cents for one bushel of wheat. Then the province would take five cents, leaving the farmer 55 cents.

Milling the wheat produces shorts, bran and about 40 pounds of flour. The bran and shorts would provide the cost of grinding, says Mr. Aberhart. Supposing the flour sells for $1.10, Mr. Aberhart suggests a rake-off of 10 cents to the government.

The flour is baked into some 50 loaves of bread. At seven cents each, the sale price would total $3.50. From this, Mr. Aberhart proposes to take 50 cents for the provincial coffers.

PREMIER WILLIAM ABERHART

Apparently the baker is Mr. Aberhart's villain. Both in total and relatively, he contributes most.

Is Scheme Feasible?

In any event, Mr. Aberhart sees 65 cents in revenue off this pyramiding of taxation on the processing of his imaginary bushel of wheat. He makes an incidental error in stating that it all comes from the processing of wheat into flour, obviously meaning from wheat into bread.

Is this simple scheme feasible?

Alberta and other provinces already have a levy somewhat similar to that proposed by Mr. Aberhart. It is the gasoline tax. This tax is paid by the motorist, if memory serves correctly.

Would the consumer find himself paying all the cumulative "levies" on processing proposed by Mr. Aberhart?

Consumer on the Spot

Can Alberta's farmers afford to give even a few cents from each bushel of wheat to the provincial government? Can millers and other Alberta processors afford to give nine per cent of the price of their flour to the government? Can bakers and retailers pay a tax as high as 14 per cent on sales without asking customers to meet it?

Perhaps these occupations have been more profitable in Alberta than has been recognized. This, however seems improbable.

In the case of gasoline, distributors admit a net profit of less than a cent a gallon. They pass the tax on to the customer. If Alberta's farmers, millers and bakers were to do the same with Aberhart levies, the customers would be asked to pay $4.15 for 50 loaves of bread instead of $3.50.

Price-fixing Enters

Under the Aberhart system, however, it would be impossible to raise prices in this haphazard manner. Alberta would have a corps of price-fixers who might not allow it. If the tax could not be passed on to the consumer, the farmer, miller and baker would have to pay it. Unless their net earnings have been much underestimated, the result might be to enforce bankruptcies.

Mr. Aberhart, however, plainly states that it is felt the increased turnover resulting from distribution of dividends would permit the operators to work on smaller profits. He does not explain how the farmer would be enabled thereby to raise and sell more crops. Nor does he explain how it would lead Albertans to eat enough more bread to make it possible to chisel 14 per cent off the baker's sales. He just says "it is felt" that it would.

In his explanation of the "social credit" levy, Mr. Aberhart apparently does not distinguish between gross and net profits in claiming that there is an "enormous spread in price between the producer's cost and the consumer's price." He sees the whole dfference as an "unearned increment." One of the wonders of his scheme is that it leaves any of this "unearned increment" at all in the hands of the distributor or processor who "unearns" it.

An illustration shows the difference in Mr. Aberhart's view of "unearned increment" and the average business view of gross and net profits. It is drawn from the actual experience of an established dairy company.

Here is a dairy firm with sales of $700,000 a year. Its materials cost $400,000. Mr. Aberhart would apparently claim that the resultant "unearned increment" is $300,000.

The dairyman would point out, however, that it cost him $200,000 for wages, advertising, bottles, gasoline, horses, advertising and what not to market his products. This left what the dairyman called a gross profit of $100,000.

Profits Less Than Levy

This still was not a net profit.

The dairy pays $30,000 mortgage interest. Since its plant and buildings will wear out, it also deducts $30,000 as an allowance for depreciation. Some $4,000 in Dominion and provincial taxes have to be met. By this time, a net profit of $36,000 is shown.

If Mr. Aberhart were to make a levy of nine per cent on the dairy's sales, as he would on his miller's, it would require $63,000; much more than the net profits. The dairy firm would soon find itself in bankruptcy unless the levy were added to its selling prices.

Under "social credit" of course, it is averred by those in the cult that such charges as interest and depreciation would virtually be eliminated. This, in fact, is one of the axioms of "social credit." It is a Marxian view.

Depreciation and Interest

If money can be had without hire and if buildings and equipment will never wear out, interest and depreciation charges are unnecessary. "Social credit" proposes virtually to provide credit without interest, issued by the government. Why buildings don't wear out, or why it is unnecessary to provide for replacements through depreciation charges, is one of the major mysteries of "social credit."

If interest and depreciation charges are as unnecessary as "social credit" contends, the "unearned increment" which Mr. Aberhart would tax with his levy could be said to exist in part. If interest and depreciation charges are legitimate, then Mr. Aberhart's "unearned increment" is practically non-existent. Unless, of course, the Aberhart doctrine takes a new turn toward taxing the "unearned increments" of managers, drivers, salesmen, stenographers, better known as salaries and wages.

Aberhart Communism

Perhaps unwittingly, Mr. Aberhart has outlined in his levy on "unearned increment" a scheme for communism.

It is apparent, first, that his levy on turnover is aimed at the mulcting of processors and merchandisers. His proposed levies are so large that the processors and retailers would probably be driven into early bankruptcy in meeting them.

Later it could develop into communism by provincial taxation of a character designed to bring the wealth of Alberta into governmental control by tax default. Since the Aberhart scheme indicates that all national money would be taken over by the province and all business would have to be done with provincial credit notes, the government would own practically everything and might eventually distribute all payments to its citizens.

Significance of Scheme

The significant thing in the Aberhart tax programme is that it proposes to tax processors and distributors heavily and to scatter the proceeds to all Albertans. Each month would see this repeated. Those who would be called on to pay would not be those who would receive. The eventual result would naturally be that the community as a whole would be acquiring property and wealth from those who now own it.

Perhaps Professor Stephen Leacock's comment on the Aberhart scheme is the correct interpretation: "The scheme will never fail because it will never get a chance to." If it is tried," he says, "it is foredoomed to failure."

Outside Alberta, it is almost unanimously conceded by accepted economists that there would be a tendency for the value of Alberta's credit notes to depreciate in terms of national money. The Aberhart scheme is viewed as a prelude to Alberta's bankruptcy if it is ever tried, just as Lenin's more direct repudiation dissolved Russia's credit.

Plans Spending $3 Millions To Aid 8,000 Sask. Families

From Our Own Correspondent

REGINA.—To rehabilitate 8,000 families in Northern Saskatchewan, the provincial government intends to spend $3,000,000 over a period of years for the purchase of livestock, and equipment to make these families self-sustaining.

A good number of these families trekked from Southern Saskatchewan during the worst drought years and have found themselves no better off in the north than they were in the south.

To administer this plan the Northern Settlers Re-establishment branch has opened an office in Prince Albert with headquarters in Regina. Two superintendents will act in the north, one for the western section and the other for the eastern.

At present it is costing the government $1,000,000 yearly to provide relief for these families. The scheme evolved by the minister of municipal affairs, Hon. R. J. M. Parker, provides for loans to the settlers and partial payment can be made by work on road construction, drainage work or other work the government may decide to do. Settlers now on heavy bush lands will be moved to more suitable locations.

A survey of the 8,000 cases is now being made and shortly the department will be making necessary loans.

Alberta Deficit Is $2,081,760

Deficit of Alberta for the fiscal year ended March 31, 1935, was $2,081,760, compared with $2,220,218 in the 1933-34 fiscal year.

Included in the deficit is a loss of $343,710 on the provincial telephone system. This consisted of an actual deficit of $201,916 plus $141,794 for debt retirement which was not provided.

Omitting telephones, the deficit totalled $1,738,050. This deficit on government revenues proper was made up of $1,021,826 of an operating deficit and $716,224 for sinking fund and debt retirement. On this basis, the 1933-34 deficit was $1,878,032.

Aberhart Success Restricts Credit

Unsettlement in business and particularly in the credit outlook arising from the election sweep of the Aberhart party has led many Alberta merchants to adopt a strictly cash policy. Calgary dealers state that they will curtail credit and liquidate outstanding credit accounts as much as possible during the next few months due to uncertainty as to the future.

THE TRUTH ABOUT A POPULAR FALLACY

"I can't afford to have my estate settled by a Trust Company. A Trust Company is too expensive."

This is not true. The fact is that the fees allowed a Trust Company are no larger than those allowed by the Court to a private executor. The use of its services represents sound economy in that it eliminates mistakes due to inexperience or unsound judgment, which may prove expensive and even disastrous.

The settlement of an estate or the handling of a trust calls for permanence, experience, knowledge and technical skill.

113A

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Fire and Casualty News

FIRE INSURERS MAY COMPROMISE ON CONDITIONS

Committee Has Possible Solution of "Fraudulent" Controversy

Although no fire insurance legislation was recommended for enactment at the convention of the Association of Superintendents of Insurance of the Provinces of Canada at Winnipeg last week, amendments were considered in committee which may go far to clearing up at least one of the main differences of opinion regarding statutory conditions.

For some time, fire companies have been trying to have the word "fraudulently" removed from the condition which voids contracts if an applicant for insurance "fraudulently omits to communicate any circumstance which is material to be made known to the insurer in order to enable it to judge of the risk to be undertaken." Representatives of the insured have been equally insistent that the clause be retained intact.

Reach Compromise Wording

This year the problem arose again, and was referred to a special committee, comprising representatives of the conflicting viewpoints. In this committee, The Financial Post understands, a compromise wording was suggested which stands quite a good chance of acceptance by both sides.

Under the circumstances it is understood that no amendments to the uniform fire insurance statutes of the various provinces will be recommended prior to the 1936 conference.

Ninety Day Balances

All spokesmen for companies and agents urged the provinces to continue to call for the quarterly return of agents' balance more than ninety days overdue, which they characterized as having helped the "credit" situation. Conflicts of opinion, however, developed as to the circumstances in which and when the information shown by the returns should be disclosed to companies and agents. The conference concluded to reappoint the special committee and to instruct it to consider these controversial points and to recommend to the several provinces what action should be taken with respect to them.

Organize Interpretation Committee

The report of the special committee on the powers of fire, marine and casualty underwriters was featured by the conflicts of opinion among the five or six marine underwriters who spoke independently. Subsequently, in private executive session it was agreed unanimously that the recommendations embodied in the report should be adopted. The provinces of British Columbia, Manitoba and Ontario were appointed a standing committee on definitions. Superintendent Foster was directed to confer with the fire, marine and casualty underwriters and to assist them to organize a "Joint Committee of Underwriters on Interpretation and Complaint," along the lines followed in the United States.

The conference went on record as opposed to compulsory automobile insurance and the proposal to establish a Board of Appeals to which a disgruntled applicant for automobile insurance might appeal.

The report on accident and sickness insurance was of a preliminary nature, and after discussion, the present committee was re-appointed and underwriters invited to confer with it.

Underwriters present did not favor the suggestion that all annual statement blanks might be printed by some private central printing house. The present method of printing and distribution was approved without change.

Officers Elected

The following officers were elected for the ensuing year: Hon. W. J. Major, K.C., M.L.D., attorney-general of Manitoba, honorary president; B. Arthur Dugal, superintendent of insurance for Quebec, president; Charles Heath, superintendent of insurance for Manitoba, vice-president; R. Leighton Foster, K.C., superintendent of insurance for Ontario, secretary-treasurer.

WILL ROGERS POLICY AN INSURANCE PUZZLE

Reports of $2.5 Million Policy Denied

Reports of a payment of $2.5 millions accident policy held by the late Will Rogers evidently are considerably exaggerated. The following comment is made by the Eastern Underwriter of New York:

"What became of Will Rogers' big policy in Lloyd's taken out some years ago was interesting the insurance district. It is known that he had had a large policy for which he paid a rate of 4 per cent a year, but, according to an official statement given out last week by Jesse H. Jones, chairman of RFC, speaking for Mrs. Rogers, there was no such policy in force at the time he died. The situation is given another tinge of mystery by a statement which had previously been issued by a Rogers lawyer that there was such a policy.

"On August 29 was published the first authoritative information about the insurance carried by Rogers at the time of his death, showing a considerable drop (probably by reason of the maturement of endowments), since his high of $800,000 some years ago. Jones has talked daily by telephone to Mrs. Rogers since the humorist was killed in the Alaskan plane crash.

"Mrs. Rogers said her husband was carrying $250,000 in accident insurance and $280,000 in regular life insurance at the time of the crash. She denied the report of a Lloyd's $2,500,000 accident policy."

Two Million Dollars 1934 B. C. Fire Loss

British Columbia had 2,359 fires last year, involving a property loss of almost $2 millions, the report of the provincial fire marshal, J. A. Thomas, states. The property loss figures is $136,248 above the previous year. As a result of fires four persons were killed and five were convicted of arson.

The bulk of loss was in frame structures, these accounting for a total of over $1.8 millions, of which about one third was inside municipal limits where local fire departments are maintained. Brick and concrete buildings were damaged to the extent of $145,000, the balance of less than $1,000 being attributed to fire-resisting buildings. Dwelling losses were $556,000, mining properties $257,000 and sawmills $435,000. Half of this last figure was said to be of incendiary origin.

Smokers were far in the lead as fire setters, accounting for 527. Other chief causes were as follows: Sparks from chimneys, 225; sparks from fireplaces, 185; defective chimneys, 173; and incorrect wiring on electrical appliances, 125.

Business Epic

Rapid Growth of General Assurance Corp. Sketched in Fifty-year Record of Achievement

Most British insurance offices boast of their antiquity.

It is an unusual and fascinating story to read therefore, "Business Epic"—the 50-year life history of the General Accident Fire & Life Assurance Corp. It is a story full of interesting surprises to those who know little of the meteoric rise of this organization. It is a story of which the company's policyholders in Canada and other parts of the world may well feel proud.

Originally Local Firm

The General was a local enterprise which sprung up in Perth, (once the capital of Scotland) as a result of the passing of the Employers' Liability Act of 1880—the first of a series of measures extending the liability of employers to compensate workmen injured in their service. Its original capital was only £5,000 and its first directors were all local men—an estate agent, a banker, a lawyer, two or three gentlemen farmers and land owners. "Nothing distinguished it," says its historian, "from a hundred other provincial insurance offices, whose lives of greater or less usefulness, have ended either in disillusion or in absorption by a larger company."

F. Norie-Miller

How then does it happen that the General is now one of the leading offices in the world?

The answer seems in a large measure to hinge around the man who was chosen at once as its first manager—Francis Norie-Miller who held this office for no less than 46 years and still (at the age of 77) bears the proud title "Chairman and Managing Director."

Thus, it seems no reflection on the fine men who subsequently became associated with the company to say that the story of General Accident has been the story of this young man who gave up a safe position with sound prospects and "hitched his wagon fifty years ago to this very minor planet."

Even within two years, the directors were able to announce that "branches had been opened in all the important centres of the Kingdom, over 800 agents appointed and the affairs of the association placed in such a position as to warrant them in expecting with the utmost confidence a still much larger measure of success in the future."

Many Innovations

Along with conservative management, Mr. Norie-Miller poured a continuous stream of new ideas into the business. Thus, within a year an arrangement had been made with Malcolm's Diary and Time Table of Glasgow to provide payment of £100 to the representative of any person killed in a railway accident provided that there was in his or her possession a copy of the Diary or time table.

Here was the beginning of coupon insurance which led in course of time to the vast insurance schemes promoted by British newspapers. Other equally revolutionary innovations with the introduction at head office of a telephone of 1894; of a typewriter in 1892 and then (most startling of all) of female staff!

Pioneer Firm

The General played a leading part in newer forms of insurance. Thus it pioneered in the burglary field in 1890 and in motor insurance in 1896. "It would seem," says the biographer "that the General can claim to have issued motor policies as well as burglary policies earlier than any other company now in existence."

By 1898 the company was well established all over Great Britain and Ireland with 20 branch offices and over 6,000 agents. Attention was, therefore, turned on foreign fields and entry made into the United States in 1899. In the fourteen years prior to the war, the company penetrated into France, Belgium, Egypt, Canada, India, Australia, South Africa, the Far East and the Argentine as well as into many crown colonies and European countries. Its name is now known in almost every part of the world and premiums derived from abroad nowadays exceed the home premium income.

Other fields were also invaded. Thus, life insurance in 1906, livestock and plate glass in 1907 and 1909 respectively, and shortly thereafter another startling innovation—the combination of a fire, burglary and domestic servant policy. It was strictly unorthodox to combine fire and accident contracts but the excellent public reception led quickly to the development of a householders' comprehensive policy, generally adopted in Great Britain by better class householders. The company is justly proud also of the fact that since 1911 it received a warrant as insurers of motor cars to His Majesty, King George V, which has been renewed up to the present time.

Another innovation of interest to Canadians is the fact that the General offered a "no claims bonus" as a feature of its motor policies for many years before its adoption by the majority of companies.

Fire Insurance

Another interesting development pioneered by the General was an arrangement made in 1924-5 between Mr. Norie-Miller and Morris Motors Limited whereby all Morris cars sold in Great Britain were provided with a year's free insurance, the premium being paid to the General by the manufacturers.

In the two years during which the scheme operated "upwards of 90,000 policies were issued on Morris cars alone.

"It was a bold undertaking," says the record, "for the bad drivers had to be taken with the good, the novices with the experienced motorists. It did not, however, result in heavy loss as some critics had predicted and its publicity value was incalculably great. It created new connections with motor dealers and motorists all over the country and left the General beyond dispute the leading company in automobile insurance for by this time its name was equally well known to motorists on both sides of the Atlantic."

In a word of praise for its Canadian connection, the book pays tribute to the sagacity of Mr. Norie-Miller who, it is reported, during one of his periodic visits to Canada determined on the purchase of a head office site upon a street which then (1921) had no special importance but has since become the chief artery of Toronto's financial centre.

Manager for the company in Canada, is Thomas H. Hall.

Take Up Torch Social Credit in Saskatchewan

Social Credit is "catching" in Saskatchewan. There will be Social Credit party candidates in a number of provincial ridings in the forthcoming federal election. There may also be some nominations of Social Crediters in Manitoba. Alberta will have Social Credit candidates for all its federal seats. Lieut-Col. H. W. Arnold, Saskatoon commission agent, is Social Credit organizer for Saskatchewan. After a recent conference with Premier William Aberhart of Alberta, Lieut-Col. Arnold announced the intention of nominating a Social Crediter for every Saskatchewan riding. Plans, he said, are also being considered to organize Social Credit in Manitoba.

In view of the success of the Social Credit party in the Alberta election, it is believed that some Ottawa M.P.'s will be elected from the party.

Certificate Issued

A certificate of registry has been issued Anglo-Scottish Insurance Company, Ltd., authorizing it to carry on accident and burglary insurance in addition to the classes for which it is already registered.

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Life Insurance News

Ordinary Life

Why Thirteen Out of Every Twenty Policies Sold Last Year in Canada Were Ordinary Life Contracts

What sort of insurance do you buy?

Last year thirteen out of every twenty life insurance policies sold in Canada by Canadian companies were on the ordinary life plan.

Of the remainder, six were endowment contracts; and one was a term policy.

The total number of policies issued was 275,500. This is exclusive of group and industrial insurance.

The figures indicate the continued preference in this country for the ordinary life contract as compared with endowment and term insurance.

Reasons For Preference

Analyzing the reason behind this preference The Excelsior Life Banner (house organ of that company) recently tabulated the reasons for this choice. They are:

1. The premium payments are scattered over the longest possible period and, therefore, are reduced to the lowest possible point for permanent protection.
2. The premiums are level throughout life regardless of the large increase in death rates at the older ages.
3. The ordinary life policy combines just enough of the investment and protection factors in a premium to make possible the equal annual installments.
4. The ordinary life policy provides a young married man a large amount of protection per dollar of investment during the years his family needs it most and when his margin for savings is small.
5. Since the insurance is on a whole life, instead of term, basis, the insured has no worries over the possibilities of difficulty in renewing his policy and is assured that his premiums will never be increased.
6. The ordinary life policy has cash and loan values not found in term policies.
7. The ordinary life policy has liberal extended insurance and paid-up insurance values not found in term policies.
8. The low premiums make it possible for men at the older ages to secure protection they could hardly afford on the higher premium form policies.
9. The dividend accumulations on participating ordinary life policies can be used to mature the policy as an endowment at an earlier age.
10. If the insured's earning power increases, he has the privilege of converting his ordinary life policy to a higher premium form policy without further medical examination.
11. In addition to providing a maximum of protection at a minimum charge when the need for protection is greatest, an ordinary life policy also provides a convenient means of leaving legacies and bequests when the need for protection is past.

Urges Middle Pathway For Insurance Officials

A plea that insurance officials follow carefully a middle path between the rights and interests of companies on the one hand and policyholders on the other, was made last week at Winnipeg by Hon. William A. Sullivan, insurance commissioner of the state of Washington and president of the National Convention of Insurance Commissioners of the United States.

Speaking at the annual meeting of the Canadian provincial insurance superintendents, Mr. Sullivan expressed the view it would be disastrous if the supervising authorities were to adopt a policy so technical and narrow as to discourage the growth and development of the business and put "into the place of the life and spirit of the statutes, a dead and technical construction resulting in the destruction of initiative of those engaged in the insurance business."

On the other hand he stressed the fact that there must be no faltering in the interpretation and application of insurance statutes so as to bring about "a disregard of the provisions of law which the lawmakers have said must be observed by the insurance companies.

"As public officials, we should be concerned not alone with fulfilling the immediate duties of office but in the broader social implications of insurance and its usefulness to the citizenry of the state or province.

"We then should be interested, in further building and strengthening the great reserve of public confidence in the principles of insurance and in the honorable administration of the business."

LEIGHTON FOSTER COMES TO DEFENCE SUPERINTENDENTS

Explains Efforts Made to Avoid Overlapping and Duplication

Explanation of the work of the provincial superintendents of insurance in respect to overlapping of insurance company returns was made this week at Winnipeg by R. Leighton Foster, superintendent of insurance for Ontario and secretary of the association.

During the course of his annual report as secretary of the association of superintendents he said:

"An article appearing recently in a leading Canadian financial and insurance journal from a leader of the Ontario Bar suggests that the work of our Association in this connection is not fully appreciated. Reference was made therein to the multiplicity and unnecessary conflict in the form of returns required to be made by insurance companies to the several provinces.

The writer overlooked the important fact that no multiplicity or conflict exists with respect to returns required by the Departments of Insurance in the several provinces and that such discordances as does exist arises out of returns required under company and taxation and other miscellaneous statutes concerning the administration of which the several Superintendents of Insurance have neither authority nor responsibility.

"It is unfair to the insurance supervising officials of the several provinces to criticize multiplicity of provincial returns required from insurance companies without pointing out that this Association has been successful over a period of years in maintaining absolute uniformity in so far as the Insurance Department returns are required."

Insurance Inklings

H. P. CHARLTON, manager at Fort William for the Sun Life of Canada has been promoted to assistant manager for British Columbia with headquarters at Vancouver.

F. N. HANNAM, of the London Life, has been appointed city manager at the company's Hamilton King branch. Mr. Hannam is a veteran underwriter whose service with the company dates back 26 years. Recently he has been out of production temporarily due to ill-health. Prior to that he was manager of Toronto Junction branch.

N. FREEMAN, of London Life, has been appointed city manager at Ottawa. Mr. Freeman joined the company in 1929, became a superintendent in 1931 and recently was promoted to inspector. C. C. STEWART, who has been managing the Ottawa district in recent months, will return to duties at head office.

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Business Insurance is good business and a matter on which you might find it an advantage to be informed. Partnerships particularly have many peculiar angles of relationship which make business insurance imperative if the future of the business is not to be imperilled.

We will give you information on this vitally important matter if you desire it. Address your inquiry to our Head Office or to our nearest Branch Office.

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The persuasion of a life insurance agent saved this home.

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They Waited Too Long

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2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

Brewing Corp.

Why are Brewing Corp. shares so weak? Is there a prospect of reduction of the dividend?

Brewing Corp. of Canada's position is complicated by keen competition in Ontario. Earnings have risen somewhat, but the increase was disappointing since the company had let it be known that it had great expectations for this summer. This weakened the stock. There is no prospect of an increase in the half-pay rate at which the preferred dividend is being paid. There is some doubt, but unsubstantiated, as to whether the half rate will be continued. A year at least must pass before it will be known whether the company's difficulties in getting a satisfactory share of the Ontario market can be solved.

Canadian Hydro

We should like to have your views on Canadian Hydro-Electric Corp. preferred stock. Should this stock be held?

Practically all of the revenues of Canadian Hydro-Electric Corp. are derived from Gatineau Power Co. The Ontario Government's threat to repudiate the contracts held by Gatineau Power Co. and the other Quebec utilities holding contracts with the Ontario Hydro, has caused much uneasiness. The Ontario Government, however, continues to pay for power deliveries, but has notified the company that it will not take additional deliveries as called for under contract. It is expected that within the next few weeks the Ontario Government will make a definite decision as to its future policies with the Quebec companies holding Ontario Hydro contracts, and until such time certain of the securities of the companies affected directly or indirectly can only be regarded as in a hazardous position. The first preferred stock of Canadian Hydro-Electric Corp. must be placed in this class.

York Twp. Default

Is there no way I can force payment of full interest and principal on my York township bonds. Is there no protection for investors in such municipal defaults?

Ontario Government officials are working on a plan for refinancing York township. While this is going on, you can do no more than accept the three per cent which is being paid on the bonds. What the township can pay to bondholders will depend in no small degree upon what portion of relief costs are borne by the Ontario Government. You cannot force payment of full interest or return of principal. This matter is in the hands of the Ontario Government which prevents bondholders from suing.

Your chief protection lies in the activity of large investors such as trust, loan and insurance companies. These institutions combine their efforts in dealing with municipal defaults. You can trust them to make some effort to see that bondholders are not mulcted in the refinancing of the township's debt.

Dominion Bakeries

Is there any prospect for a dividend on Dominion Bakeries first preferred?

Dominion Bakeries have been showing consistent losses, earning nothing on the preferred stock. There is no likelihood of an early payment on the stock, and the outlook is adverse.

Rolland Paper

Please let us have a report on the Rolland Paper Co. We are, more particularly interested in the earning power of the company as applied to the preferred stock.

Rolland Paper Co. is one of the oldest of the fine paper manufacturers in Canada. Control has long been held by the Rolland family, which has built up a satisfactory and stable volume of business. The result is to be seen in the company's annual financial statement which shows very little fluctuation in earning power during the depression years. Net income last year after taking care of depreciation and interest charges was sufficient to cover dividends on the preferred stock. While no interim statement has been issued by the management as to operations and earnings, it is understood that income this year has been maintained.

Dominion Engineering

It would be greatly appreciated if you could let us have information regarding Dominion Engineering Co. My family has held stock in this company for some years and at the moment we would like to know what information you have on the volume of business being handled.

Dominion Engineering Co., controlled by Dominion Bridge Co., is one of the largest enterprises of its kind in the Dominion. As its name implies the company is engaged in a wide line of engineering activities, mainly having to do with the pulp and paper and water power industry. Of late years, however, the company has turned to the development of other lines and in this connection is reported to have had fair results.

The volume of business available to the company in the last two or three years has been rather limited, though in 1934 the president reports that the number of orders increased by 41 per cent and in value by 57 per cent over 1933. This is exclusive of the large order for hydraulic turbines for Beauharnois, reported in 1933. Prospects of the company seem to be on the up-grade and expectations are that earning power will increase.

Mount Royal Hotel

Can you let me have some information on the Mount Royal Hotel Co.? Has there been any improvement in the company's position?

Mount Royal Hotel Co.'s report on operations is not especially encouraging to the security holders. The volume of business last year and this year to date has been subnormal. While there has been a substantial increase in tourist traffic this summer, it has been the experience of the Mount Royal and other hotel companies, that the tourists prefer going to rooming houses where they can secure temporary accommodation at low rates. The management have made every effort to cope with this situation by closing off sections of the hotel, maintaining a minimum staff, etc. These efforts have been helpful, but administration and overhead costs in an institution of that type are particularly heavy and there is little that can be done if the patronage is limited.

United Corporations

I notice that prices for United Corporations A and B stock have been rising. Why is this? How are the bonds quoted?

Current price on United Corporations 5 per cent income bonds is 87 bid, without a ready offering price. The chief reason for the improvement in quotations for its stocks and the bonds is that the company's investments and income have tended to increase in value lately.

Ford of Canada

How is Ford of Canada doing and what is the outlook? Why is the A stock sluggish?

Ford of Canada is enjoying the best business for many years. We understand, however, that the company's profits per unit will be smaller this year than last. Nevertheless, there appear to be prospects that this year's total profits will be substantial. Another dividend may be paid in December. For the moment, inability of the stock to advance in price is attributed to liquidation by holders who have obtained substantial profits in the shares over the last two years. There is nothing in the immediate future to indicate that the company's recent success is going to have a relapse.

Dominions or Albertas

We have been thinking of trading Dominion of Canada bonds for Alberta bonds. What do you think of the trade?

In view of the result of the recent provincial election in Alberta, we doubt whether you are much further interested in a switch from Dominion Government bonds to those of Alberta. Election of the Social Credit forces has certainly added to any risks there were previously in Alberta bonds. For this reason, Alberta bonds now appear less attractive than debentures of the other three western provinces.

Metals, Oil or Steel

I hold a few shares of Consolidated Mining and Smelting. I propose to sell and to buy Imperial Oil and Steel of Canada. This would increase my present income slightly, but do you think it would be advisable?

In holding Consolidated Mining & Smelting stock you are counting on recovery in base metal prices. If you go into Imperial Oil and Steel of Canada you will be banking on industrial recovery. Both the latter companies have been remarkably successful for many years. By altering the investment in the manner you suggest, you would be diversifying your holdings. It is impossible to say, however, whether you would gain in income and in market appreciation by making the switch.

Price Bros.

I hold a fair amount of Price Bros. & Co. common stock, and as it seems impossible to get any accurate information, I would appreciate it very much if you could tell me just what is the position of the company at the moment. Are they making any headway and is there any possibility of rehabilitation? I have been informed that the Bowater proposition has fallen through for the time being. It is my opinion that rehabilitation of this company would do a great deal to restore the faith of the public in such investments and might also materially restore some confidence in the men who engineered the financing of the company.

Operating position of Price Bros. & Co. is more hopeful at this time than it was a year ago. Through an arrangement with other newsprint manufacturers, the company recently received a large volume of tonnage for 1936 delivery. This will enable the company to step up operations and reduce operating costs.

The closer agreement among the manufacturers, as exemplified by the action with Price Bros. in allotting tonnage, creates the hope that the producers will be able to secure a better price for their newsprint paper in 1936. At the moment no definite action has been taken to bring about a price increase, but it is expected that something will be done within a few weeks.

The financial position of the company continues uncertain. The Bowater scheme was turned down by the bondholders' committee. Consequently there is no "live" bid before the trustee or the bondholders' committee for a capital reorganization. On the other hand, we understand that there is a possibility that another bid will be put forward before the year end and it may be more successful in securing the support of all interested parties.

Com. & Transportation

Please let me have the latest available information and market value, if any, for bonds of Commerce and Transportation Building.

There were never any bonds of Commerce & Transportation Building outstanding in the hands of the public. The building was financed in the first instance by the sale of seven per cent preferred stock and common shares to the public by the late lamented G. A. Stimson and Co. You are apparently referring to this preferred stock. There was a first mortgage for some $850,000, but this was not sold to the public and for some time was not disclosed to those who were buying the shares.

Subsequently, the holders of the first mortgage foreclosed, and thus wiped out the interests of the preferred and common stockholders. There is nothing in the proposition for creditors of the Stimson organization, and there was naturally nothing for the preferred and common shareholders. The stock is worthless.

Canadian Dredge

I am more interested in steady dividends than in possible market appreciation and wonder whether I should not sell my Canadian Dredge and Dock Co. shares and get into something where the dividend is more assured. Can you give me up-to-date information on contracts received this year?

In your case, there is some inconvenience in holding common shares of Canadian Dredge and Dock Co. which has been making only one annual payment. In the last two years, the company has adopted the policy of paying a dividend at the end of the year commensurate with earnings for the year. It is probable that the next dividend will be paid early in 1936 on the basis of profits made in this year.

The company has received a number of contracts from the Dominion government which promise to increase earnings materially in 1935. Last year, as you may know, contracts received from the government came in late. This gave the company only a short season. In the current year, contracts amount to considerably more in volume and were received somewhat earlier than last year.

A good deal depends on the general course of the stock market as to whether the shares will advance further. There is the possibility that imminence of the dividend payment later this year might cause the shares to strengthen, provided that no untoward stock market trend develops in the meantime. If the increased volume of work obtained by the company goes on satisfactorily there are prospects for an increase in the earnings which amounted to 76 cents a share last year. This might mean a higher dividend if the policy of paying out virtually all earnings in dividends is followed as it has been in the past two years.

Cockshutt Plow

Kindly give me a report on Cockshutt Plow. Are prospects for the stock attractive at $8 a share?

Cockshutt Plow Co. has been showing greatly improved sales this year. This is expected to improve the revenue position materially. For the past four years, the company has suffered large losses. It is still problematical, despite improved conditions, what earnings will be shown this year.

The outlook for the company depends largely upon the outlook for agriculture in Canada and abroad. For instance, while sales are now running far ahead of several years past, the company's earnings success will depend upon its ability to collect amounts owed to it by farmer customers. The price of the common stock is now about $8 a share, compared with a depression low of $3 a share, reflecting market opinion of the improved position.

From the viewpoint of the investor, it is advantageous that there is no funded debt and no other stock outstanding except the 300,678 common shares. However, at the end of the 1934 fiscal year, the company had bank loans of $1,449,000. As current assets against this loan, it had accounts and notes receivable and inventories amounting to some $5.7 millions. Improved agricultural conditions will allow sale of inventories at profitable prices, and should assist in the collection of outstanding accounts. At the same time, however, the greater volume of business requires larger inventories and will result in the creation of more credits due from farmers. Thus, it appears likely that some time may elapse before common dividends will become possible.

Mining Enquiries

Condor Consolidated

Have you any information on Condor Consolidated Mines? I am a stockholder in same and would like to know of the activities of the corporation as I have heard that the promoters of the company have during the past year sold considerable of the stock in Toronto.

May I also ask whether an Ontario corporation files reports with some particular department and if so which one? Surely there must be some definite restrictions or rules for the sale of mining stock in your province. I am a resident of United States.

Condor Consolidated Mines have for some time been giving publicity to plans for construction of a 300-ton per day mill. However, at date of writing we have seen nothing to indicate that actual mill construction has started.

The most encouraging aspect of this company is the fact that development work is being done by Milton Hersey Co., well-known firm of Canadian mine operators and engineers. Mr. William T. May, consulting engineer for this latter organization has definitely recommended that a mill be constructed. In April of this year he set ore reserves at the property at 18,450 tons, blocked out with a grade of .593 oz. a ton. Additional ore shown by diamond drilling at that time was set at 32,000 tons, grade .436 ounces. Currently, the company claims to have blocked 69,000 tons of ore.

Of an authorized capitalization of $5 millions in $1 par value shares, the company at last reports to have about 3,100,000 shares outstanding. The present underwriting agreement should put $175,000 in the company's treasury which they claim is sufficient to finance construction of the mill. It is hoped that when the mill is built, the company will have about one million shares left in the treasury. At the present time, however, we are informed by company officials that no definite decision in regard to mill construction has been made.

As you are probably aware, following a tightening up of security laws in United States, Ontario and other Canadian provinces were flooded by unscrupulous promoters from across the border. This resulted in wholesale housecleaning on this side with the result that at the present time, particularly in the provinces of Ontario and Quebec, laws governing the sale of mining securities and other stocks are very strict. The Ontario Securities Commission has wide powers in this regard and has for a year or more been particularly energetic in its drive against such evils.

As regards your last question every Ontario corporation must file reports with the Ontario provincial secretary. Also, if the stock is listed, it automatically comes under the rigid regulations of the Toronto Stock Exchange and must file full information with this organization.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

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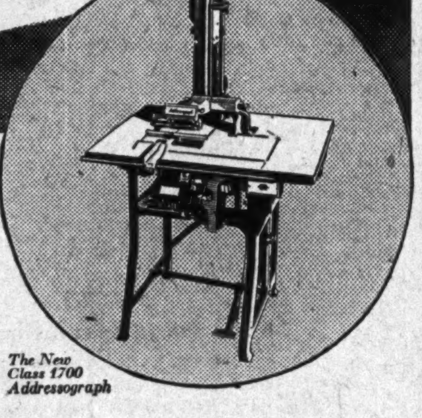
AGENCIES
McCallum Hill & Co., Regina — Butler Byers Bros., Ltd., Saskatoon — F. J. Lorimer & Co., Edmonton
British Canadian Trust Co., Lethbridge — Equitable Agencies, Ltd., Calgary



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Wherever her lot has been cast, however, she would tell you that she has always fortunately been near a constant supply of her favourite cigarettes—W. D. & H. O. Wills' Gold Flakes.

Canadians who have travelled the world over know that Gold Flakes are indeed "The Smoke of the British Empire."

A shilling in London —a quarter here.

Copyright Photograph Courtesy Gaumont-British Corporation, London.

Anna Lee's latest picture is the Gaumont-British musical comedy "Heat Wave," in which she is co-starred with Les Allen, the former Toronto boy now known as England's Rudy Vallee. Watch for lovely Miss Lee in this picture.

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Canada's National Magazine

N. B. POWER BOARD CONSIDERS EXPANSION

New Lines Will Open Up Rural Areas — Enlarge Power Plant

From Our Own Correspondent

MONTREAL. — New Brunswick Electric Power Commission has under consideration extension of its system from Newcastle to Doaktown and from the Nashwaak Valley extension to Boiestown. The project will be carried out this fall if sufficient number of customers can be secured.

Eventually the two proposed extensions would be linked. The Nashwaak Valley line is being constructed from Devon to Cross Creek and Stanley, and a further extension to Napadogan was authorized by the provincial government, providing that a sufficient number of users will connect with the system.

The line to Boiestown will be another branch of this extension and may cut in to McGivney Junction, thence out to the main highway again and on to Boiestown.

Increase Plant Capacity

Preparations are being made to enlarge the commission's power plant at Newcastle Creek. Excavation for a new addition to the present building is already under way, and the steel work will commence soon. When completed, the enlargement will double the present capacity of the plant. One large unit will be added to the two small ones already there. This extension was planned by the late government but was left to the incoming administration to carry out.

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THE Royal Connaught HOTEL

C.N.R. MAY FUND NEW YORK LOANS AFTER YEAR-END

Can. Northern 7's Callable; Refinancing Saves on Interest

From Our Own Correspondent

MONTREAL.—Since the end of 1934, including the Grand Trunk Railway bonds called for redemption October 1, the total amount of Canadian National Railways securities for which refunding operations have been arranged by the Dominion Government, amounts to $116,892,000, according to a statement issued by the Minister of Finance.

Borrowing of $20,000,000 by the Dominion Government from New York banks at ¾ of 1 per cent until Feb. 1, 1936, is to pay off most of $23,740,000 of Grand Trunk Railway 7 per cent bonds, called Oct. 1. The remaining funds necessary will be provided from other sources.

Probable Call Dec. 1

The next probable call for Canadian securities in New York is that of $23,779,000 of Canadian Northern Railway 7 per cent bonds. These are callable at 102½ on or after Dec. 1, 1935. It is considered highly probable that this issue will be called Dec. 1.

The total involved in both pieces of financing is well over $40,000,000. Provided no untoward financial developments occur in the meantime, it is expected that the redemptions will be funded in the United States by a loan early in 1936.

Rhodes Statement

In a statement covering the announcement that the recent loan of $20 millions in New York had been secured at the lowest interest rate ever obtained on Dominion borrowings, Finance Minister Rhodes said:

"Assuming that the permanent financing of the money now borrowed temporarily to repay the Grand Trunk bonds can be done at approximately current interest levels, a net annual saving of almost $2 millions would be effected by the Canadian National Railways. This is in addition to the annual saving of about $14.6 millions resulting from the refunding of direct government debt since 1930."

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove Works	81¼c	Sept. 16	Aug. 31
Do., pref.	$1.75	Oct. 1	Sept. 15
Amer. Cyanamid, A	10c	Oct. 1	Sept. 14
Do., B	10c	Oct. 1	Sept. 14
Bell Tele. c.	$1.50	Oct. 15	Sept. 23
Biltmore Hats	$1.75	Sept. 14	Aug. 15
T. G. Bright & Co. c.	7½c	Sept. 14	Aug. 31
Do., pfd.	$1.50	Sept. 14	Aug. 31
Bk. of N. Scotia	$3	Oct. 1	Sept. 16
Br. Amer. Assur. c.	75c	Oct. 1	Sept. 25
Bruck Silk	30c	Oct. 15	Sept. 14
Beld.-Cort. pfd.	$1.75	Sept. 14	Aug. 31
Braz. T. L. & P. pf.	$1.50	Oct. 1	Sept. 14
B.C. Power c.	38c	Oct. 15	Sept. 30
Calgary Power c.	$1.50	Oct. 1	Sept. 14
Can. Canners 1 pf.	$1.50	Oct. 1	Sept. 14
Can. Celanese	$1.75	Sept. 30	Sept. 18
Can. Cottons c.	$1.00	Oct. 1	Sept. 13
Do., pfd.	$1.50	Oct. 1	Sept. 13
Can. Gen. Elec. c.	75c	Oct. 1	Sept. 14
Do., pfd.	87½c	Oct. 1	Sept. 14
Can. Indust. A & B	$1	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Malting	37½c	Sept. 14	Aug. 31
Can. Perm. Mtge.	$2	Oct. 1	Sept. 14
Can. Starch pf.	$3.50	......	......
Can. N. Pwr. c.	40c	Oct. 25	Oct. 15
Do., pf.	$1.75	Oct. 15	Sept. 30
Canada Wirebound	25c	Oct. 1	Sept. 14
Can. Forn. Inv. c.	40c	Oct. 1	Sept. 20
Do., pf.	$2	Oct. 1	Sept. 20
Celanese Corp.	$1.75	Oct. 1	Sept. 18
Cen. Can. Loan c.	$2	Oct. 1	Sept. 20
Cons. Bakeries	20c	Oct. 1	Sept. 19
Crow's Nest Coal	$2	Sept. 14	Aug. 30
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dom. Textile c.	$1.25	Oct. 1	Sept. 16
Do., pfd.	$1.75	Oct. 15	Sept. 30
East. Tr. c.	$2	Oct. 1	Sept. 20
Falconbridge N. c.	7½c	Sept. 27	Sept. 12
Fanny Farmer c.	12½c	Oct. 4	Sept. 14
Goodyear Tire c.	†62c	Oct. 1	Sept. 14
Do., pfd.	†62½c	Oct. 1	Sept. 14
Hamilton Un. Th. pf.	$1	Sept. 30	Sept. 14
Imperial Tob. p.	8¾c	Sept. 30	Sept. 13
Inter. Mining	15c	Sept. 20	Aug. 31
Int. Nickel, c.	20c	Sept. 30	Aug. 31
Lake Shore M.	50c	Sept. 16	Sept. 2
Do., extra	50c	Sept. 16	Sept. 2
J. S. Mitchell p.	$1.75	Oct. 1	Sept. 16
Monarch Knit, pf.	$1.75	Oct. 1	Sept. 14
Montreal Loan	62½c	Sept. 16	Aug. 31
McColl-Fron., c.	20c	Sept. 14	Aug. 15
McLennan, McFeeley & Prior, A	10c	Sept. 30	Sept. 23
Do., B	10c	Sept. 30	Sept. 23
Nat. Breweries c.	40c	Oct. 1	Sept. 16
Do., pf.	44c	Oct. 1	Sept. 16
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Nat. Trust c.	$2	Oct. 1	Sept. 20
Ont. Loan & Deb. c.	$1.50	Oct. 1	Sept. 16
Ont. Silknit	$1.75	Sept. 16	Sept. 4
Page-Hersey c.	75c	Oct. 1	Sept. 14
Pressed Metals	12½c	Oct. 1	Sept. 16
Pioneer Gold	20c	Oct. 1	Sept. 3
Porto Rico Pwr.	$1.75	Oct. 1	Sept. 14
Pwr. Corp. of C. pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 13
Do., extra	1c	Oct. 15	Sept. 13
Riverside Silk, A	25c	Oct. 1	Sept. 15
Do., on arrears	25c	Oct. 1	Sept. 15
Reliance Grain, p.	$1.62½	Sept. 14	Aug. 31
Reno Gold	3c	Oct. 1	Aug. 31
Sherwin-Williams p.	$1.75	Oct. 1	Sept. 15
South. C. Pwr. pf.	$1.50	Oct. 15	Sept. 20
Sylvanite G.	5c	Sept. 30	Aug. 24
Siscoe Gold	5c	Sept. 16	Aug. 31
Stand. Fuel pf.	$1.62½	Oct. 1	Sept. 16
Teck-Hughes c.	10c	Oct. 1	Sept. 10
Toronto Mort. c.	$1.50	Oct. 1	Sept. 14
W. Kootenay Pr. pf.	$1.75	Oct. 1	Sept. 20
W.-Hargreaves c.	10c	Oct. 1	Sept. 10
H. Walker-G., pf.	25c	Sept. 14	Aug. 23
Western Groc., c.	50c	Oct. 15	Sept. 20
Do., pfd.	$1.75	Oct. 15	Sept. 20
Western Assur. c.	60c	Oct. 1	Sept. 5

†Initial.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 9

[illegible]

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)
September 10, 1935

Public Utility Issues:	Int. Rate	Due	Bid	Asked	Bid Sept. 3
‡Avalon Telephone	5½%	1942	100	...	100
Beauharnois L. H. & Pwr.	5½%	1973	92½	94½	94
Beauharnois Power Corp.	5%	1973	36½	39	38½
*Bell Telephone	5%	1955	114	116	114
*Bell Telephone	5%	1957	116	118	116½
†B. C. Power	5%	1960	97	100	96
†B. C. Power	5½%	1960	102	104	102
†B. C. Telephone	5%	1960	104½	106½	104
†Calgary Power	5%	1960	94½	97½	94
Calgary Power	5%	1964	93	96	93
†Canada Northern Power	5%	1953	100½	103	100½
†Cedars Rapids Mfg. & Pwr.	5%	1953	109½	112	110½
Dominion Gas & Electric	6½%	1945	79	82	79
Duke-Price Power	6%	1966	103	105	102½
*Gatineau Power	5%	1956	86½	89	86
*Gatineau Power	6%A	1941	76½	79½	76½
*Gatineau Power	6%B	1941	75	78	75½
*Internat'l Hydro-Electric	6%	1944	49	52	49½
†Maclaren-Quebec Power	5½%	1961	68½	71½	68
Maclaren-Quebec Power	5½%	1964	68	71	67½
*Manitoba Power	5½%	1951	59½	62	57
†Montreal Island Power	5½%	1957	102	104	102½
†Montreal L. H. & Pwr.	5%	1951	106½	108½	106
†Montreal Public Service	5%	1942	105	...	105
†Montreal Tramways	5%	1955	83½	86½	82½
†Montreal Tramways	4½%	1955	79	82	78
†Montreal Tramways	5%	1941	101½	103½	100½
National Light & Power	6%	1949	92½	95½	93
†N. S. Light & Power	5%	1958	103½	105½	103
†Ottawa Lt., Heat & Pwr.	5%	1957	104½	106½	104½
†Ottawa Valley Power	5½%	1970	94½	96½	93½
†Power Corp.	4½%	1959	84½	87½	84
†Provincial Light & Pwr.	5%	1946	105	...	106
*Quebec Power	5%	1968	104½	106½	104½
†Shawinigan Water & Pwr.	4½%	1970	99	101	99
†Shawinigan Water & Pwr.	5%	1970	103½	105½	103
†Southern Canada Power	5%	1955	104½	106½	104½
†United Securities	5½%	1952	80½	83	79
†West Kootenay Power	5%	1956	105½	107½	105½
†Western Power Co.	5%	1949	104½	106½	104
*Winnipeg Electric	5%	1935	98½	101	98
*Winnipeg Electric	6%	1954	61½	64½	60
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	28½	31½	29
†Acadia Sugar	6%	1946	103½	105½	104
†Alberta Pacific Grain	6%	1946	87	90	87
‡Asbestos Corp.	5%	1942	81½	84½	79
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	104½	106½	105
British American Oil	4%	1945	101	103	101
Burns & Co.	5½%	1948	52	55	54
Canada Bread	6%	1941	106	108	106
†Canada Cement	5½%	1947	102½	104½	102½
†Canada Paper	6%	1945	100½	...	100½
‡Canada Steamship	5%	1943	100	...	100
Canada Steamship	6%	1941	42	45	41½
†Canadian Canners	6%	1950	104	106	104½
Canadian Cons. Felt	6%	1940	100	...	100
*Canadian Internat'l Paper	6%	1949	69	71½	67½
C. P. R.	6%	1942	106½	109	107½
C. P. R.	4½%	1944	94½	97	95½
*C. P. R.	5%	1954	104½	106	104
C. P. R.	4%	1949	94	96½	94½
C. P. R. Perp. Deb.	4%	....	86	88	86
†Canadian Vickers	6%	1947	73	76	71
Consolidated Paper	5½%	1961	15½	18	14½
Debenture & Security	4%	1938	90	...	90
†Dominion Canners	6%	1940	107	110	107½
†Dominion Tar	6%	1949	98½	101	99
Dom. Wool. & W. (with stock)	6%	1948	...	15½	13
†Donnacona Paper	5½%	1948	35½	38½	36
†Eastern Dairies	6%	1949	87	90	89
Eaton T. Realty	5%	1949	100½	102½	100
†Famous Players	6%	1948	101½	103½	101½
†Famous Players	6½%	1948	94½	97½	94½
†Federal Grain	6%	1949	91½	94½	91
Fraser Cos. (unstamped)	6%	1950	55½	58½	55
Fraser Cos. (stamped)	6%	1950	50	53	49
†General Steel Wares	6%	1952	93½	95½	93
Great Lakes Paper	6%	1950	43½	45½	43½
†Gypsum, Lime & Alabast.	5½%	1948	89	92	88½
Hamilton Cottons	5½%	1948	101	103	100½
*Hamilton By-Prod. Coke	7%	1943	103	105	102½
*Hinde & Dauch	5½%	1948	102	104½	102
†Internat'l. P. & P., Nfld.	5%	1968	99	101	99
Inter City Baking	5½%	1948	99½	101½	99
Inter-City West Bakeries	6½%	1950	23	...	23
Lake St. John Pwr. & Pap.	6½%	1947	64	67	62
†London Can. Invest.	4½%	1948	79½	82½	81
London Realty	6%	1950	88	92	88
†Massey-Harris	5%	1947	86½	89½	86
McColl-Frontenac	6%	1949	104½	106½	105
†Mercury Mills	5½%	1953	34½	37½	35
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	15½	18	15
*Montreal Coke	5½%	1947	102	...	102½
‡Montreal Cottons	5%	1947	99	...	99
National Grocers	6%	1948	104	106	104
Northern Ont. Bldg.	6½%	1939	...	96	95
†Penmans	5½%	1951	109	111	109
*Provincial Paper	5½%	1947	102	104	102
Queen's Hotel	6%	1947	84	87	84
*Reliance Grain	6%	1948	98	101	98½
Richmond Bay Bldg.	6½%	1947	92½	95½	93
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	103	...	103
Ruddy & Co., E. L.	6½%	1946	90	93	89
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	103½	105½	104
†Simpsons Ltd.	5½%	1949	99	102	99
†Smith, Howard	5½%	1953	103½	105½	103
‡Steel Co. of Canada	6%	1940	111½	113½	111
Stop & Shop	6%	1947	...	57	56
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	98	...	98
United Corpns.	5%	1953	87	90	...
United Grain Growers	5%	1948	93	96	93½
United Grain Growers	5½%	1949	96	99	96½
‡Wabasso Cotton	6%	1947	102	...	102
Wabasso Cotton	7%	1942	104½	...	104½
Western Grain	6%	1949	67	70	68½
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	98½	102	98½

‡Payable in U. S. only. *Payable in Can. or U. S. ‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. ▲Payable in N. Y.

Unlisted Mining Stocks

September 10, 1935

	Bid	Asked
Ascot	.27	.29
Arntfield Gold	.90	1.00
Arntfield Synd.	1.00	1.05
Adanac	.07½	.08½
Ardeen	.08	.10
Athona (Gt. B. L.)	.64	.67
Athabaska Portals	.25	.27
Bailor	.01	.02
Bidgood Kirk.	.07½	.08½
Bankfield Gold	.51	.53
Bathurst	.01	.02
Bosquet Gold	.07	.08
Can. Pandora	.03½	.04½
Can. Radium	.40	.43
Casey Summit	.06	.07
Canusa Mining	.05	.06½
Casey Contact	.04½	.05½
Central Porc.	.17	.19
Cons. Chib. Free	.57	.60
Cons. Chib. Pool	.57½	.61
Columario Cons.	.01	.02
Dorval Siscoe	..	4.00
Dunlop Cons.	.00½	.01½
El Bonanza	.15	.16
Forty-Four Gold	5.00	5.25
Glenora Gold	.09	.10
Galatea	.06½	.07½
Goldside	.03	.04
Gold Eagle	..	.21
Greenlaw	.05½	.06½
Hardrock	.39	.42
Hardrock Units	..	47.00
Hislop Gold	.04	.06
Horseshoe	..	.02½
Hudson Patricia	.07½	.09
Jellicoe	.05	.06
Johnson Nip.	.01½	.02½
Kirk. Gold Belt	.10	.12
Lafayette L. Lac	.04½	.05½
La Palme	.19	.21
Long Lac Lagoon	.04	..
Lamaque Gold	2.15	2.20
MacFarlane	..	.02
MacL. Cockshutt	.03	.04
Magnet Lake	.04	.05
Matachewan Can.	.11	.13
McCarthy Webb	.05½	.06½
Morrison Mines	..	.20
Mosher	.01½	.02½
N.A.M.E. Un.	22.00	..
North Shores	.02½	.03½
Oklend	.19	.21
O'Leary	.08	.09
Opemiska	1.55	1.70
Pamour Porc.	1.90	2.00
Rice Lake	.02	.03
Shawkey	.39	.42
Silverado Gow.	.39	.41
Smelter Gold	.04	.05
Smith Cobalt	.07	.09
Straw L. Beach	.12	.15
Sturgeon R. Gold	.70	.73
Sun Bear	..	.16
Thom.-Cadillac	.03	.04
Wells L. Lac	.12	.13
Wingold	.04½	.05½
Young David	.16½	.18
Wendigo	.13	.15

Listed Bond Quotations

Week Ending Sept. 9, 1935

	Int. rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs	3	1939	3.00	50½	50½	50	50½	46
McNish	6	1948	...	3.25	3.25	3.25	4.00	3.10
Mtl. Trams A	5	1955	6.38	..	84½	..	84½	73

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Montreal, Toronto and Curb Markets (Cont.)

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Dominion and Provincial Bonds

(Furnished by Toronto Bond Traders' Association)
Sept. 11, 1935

Dominion of Canada Bonds

	Rate	Due	Bid Sept. 11	Asked Sept. 11	Approx. Yield	Bid Sept. 4
Dominion	3½	15 Oct. 1935	99.90	100.15	1.78	100.00
Dominion	4	15 Oct. 1935	99.90	100.25	1.20	100.00
Dominion	2	15 Oct. 1936	99.90	100.50	1.55	100.00
Dominion	5	15 Nov. 1936	103.00	103.75	1.74	103.50
††Dominion	5	1 Mar. 1937	105.50	106.00	.85	105.50
‡Dominion	5½	1 Dec. 1937	107.75	108.50	1.57	108.00
Dominion	2½	15 Oct. 1939	100.50	101.50	2.12	100.50
Dominion	4	15 Oct. 1939	106.00	107.00	2.20	106.00
Dominion	4½	1 Sept. 1940	107.50	108.50	2.65	108.25
Dominion	5	15 Nov. 1941	109.50	110.50	3.11	110.50
Dominion	3	15 Oct. 1942	102.00	102.75	2.57	101.75
Dominion	2½	1 June 1943	99.25	100.00	2.50	99.00
Dominion	5	15 Oct. 1943	111.00	111.75	3.33	112.00
Dominion	4½	15 Oct. 1944	108.00	108.75	3.38	109.00
Dominion	4	15 Oct. '43-45	104.00	105.00	3.29▲	104.50
Dominion	4½	1 Feb. 1946	107.75	108.75	3.50	108.75
Dominion	3½	15 Oct. '44-49	101.25	102.00	3.24▲	101.50
Dominion	4	15 Oct. '47-52	103.50	104.50	3.55▲	104.25
Dominion	3	1 June '50-55	98.25	99.00	3.07	98.75
Dominion	4½	1 Nov. '46-56	107.00	108.00	3.62▲	107.50
Dominion	4½	1 Nov. '47-57	107.00	108.00	3.68▲	107.50
Dominion	4½	1 Nov. '4-58	107.00	108.00	3.73▲	108.15
Dominion	4½	1 Nov. '49-59	107.00	108.00	3.77▲	108.30

Dominion Guaranteed Bonds

	Rate	Due	Bid	Asked	Approx. Yield	Bid Sept. 4
*G. T. P. Ry.	3	1 Jan. 1962	98.50	99.75	3.01	99.00
Can. N. Ry.	3	1 May 1944	99.50	100.25	2.97	99.75
Can. N. Ry.	3	15 Dec. '45-50	98.00	99.00	3.09	98.25
*Can. N. Ry.	4½	1 Sept. 1951	109.00	110.25	3.65	109.75
†Can. N. Ry.	4½	15 Sept. 1954	102.00	.....	...	102.00
*Can. N. Ry.	4½	1 Feb. 1956	110.00	111.00	3.73	110.00
†Can. N. Ry.	4½	1 July 1957	109.00	110.00	3.82	108.75
*Can. N. Ry.	4¾	15 June 1955	112.00	113.00	3.82	112.50
Can. N. Ry.	5	1 Feb. 1954	113.00	114.00	3.93	113.00
*Can. N. Ry.	5	1 July 1969	112.00	113.00	3.74▲	112.50
*Can. N. Ry.	5	1 Oct. 1969	114.00	115.00	3.87▲	115.00
*M. Harb. C.	5	1 Nov. 1969	115.00	116.00	3.78▲	115.25

Provincial Government Bonds

	Rate	Due	Bid	Asked	Approx. Yield	Bid Sept. 4
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	106.50	108.00	4.00	106.50
†N. Bruns.	5	15 Jan. 1960	112.00	113.50	4.12	113.00
N. Bruns.	5½	15 May 1950	112.00	113.50	4.27	112.00
N. Scotia	4½	15 May 1943	106.50	107.50	3.37	106.50
†N. Scotia	4½	15 Sept. '47-52	107.00	108.50	3.62▲	107.35
N. Scotia	4½	15 May 1961	108.00	109.50	3.91	108.50
†N. Scotia	5	1 Mar. 1960	112.00	113.50	4.12	114.00
*Ontario	4	1 June 1962	102.00	103.50	3.79	101.50
*Ontario	4½	1 Sept. 1944	106.00	107.50	3.52	106.00
Ontario	4½	1 June 1950	106.00	107.50	3.84	106.75
*Ontario	4½	15 Jan. 1962	106.00	108.00	4.01	106.00
Ontario	5	15 Oct. 1948	109.50	110.25	4.01	109.50
*Ontario	5	2 Dec. 1960	114.00	115.25	4.04	114.00
Ontario	5½	1 July 1946	112.00	113.25	4.00	112.50
O. H. C.	3½-4-5	1 Oct. '33-52	100.00	101.00	1.66▲	100.00
*Ont. Hyd. C.	4	1 Aug. 1957	101.50	103.50	3.76	101.50
Ont. Hyd. C.	4¾	1 Jan. 1970	108.00	109.00	4.25	108.00
Quebec	4	15 Mar. 1952	104.00	106.00	3.52	106.00
Quebec	4¼	1 Aug. 1958	108.50	110.00	3.61	108.50
Quebec	4½	2 Jan. 1963	111.00	112.50	3.77	111.50
Western—						
†Alberta	4	1 Dec. 1957	86.00	89.00	4.81	84.00
†Alberta	4½	1 Oct. 1956	90.00	92.00	5.12	87.00
†Alberta	5	1 Jan. 1948	93.00	96.00	5.45	90.00
Alberta	5	1 Sept. 1955	93.00	96.00	5.33	90.00
*Alberta	5	1 Oct. 1959	94.00	96.00	5.29	92.00
†Alberta	5½	1 Jan. 1947	96.00	98.50	5.68	94.00
Alberta	6	1 Mar. 1947	98.00	100.00	6.00	97.00
†Brit. Col.	4	1 Dec. 1957	90.00	93.00	4.50	90.00
*Brit. Col.	4½	15 Jan. 1951	96.00	98.00	4.88	94.00
†Brit. Col.	4½	1 Oct. 1953	95.00	97.00	4.74	94.00
†Brit. Col.	5	15 Jan. 1948	98.00	100.00	5.00	96.00
Brit. Col.	5	1 Sept. 1953	98.00	100.00	5.00	96.00
Brit. Col.	5½	1 Feb. 1945	99.50	101.00	5.36	99.00
Brit. Col.	6	15 Feb. 1947	103.00	105.00	5.41	101.50
†Manitoba	4	1 Dec. 1957	96.00	98.00	4.14	94.00
†Manitoba	4½	15 Dec. 1956	100.00	102.00	4.35	98.00
†Manitoba	5	15 June 1954	105.00	107.50	4.41	104.00
*Manitoba	5	2 Dec. 1959	106.00	108.50	4.43	105.00
Manitoba	5½	1 Oct. 1955	104.00	106.00	5.03	105.00
Manitoba	6	1 Apr. 1947	105.50	107.50	5.13	106.00
Sask.	4	15 Aug. 1953	88.00	90.00	4.84	87.00
*Sask.	4½	2 July 1945	96.00	98.00	4.76	95.00
†Sask.	4½	1 Oct. 1951	95.00	97.00	4.77	93.50
Sask.	5	1 Aug. 1958	97.00	99.00	5.07	96.00
†Sask.	5½	15 Nov. 1946	100.00	102.00	5.26	99.00
Sask.	6	15 Mar. 1952	104.00	107.00	5.36	105.00

Municipal Bonds

	Rate	Due	Bid	Asked	Approx. Yield	Bid Sept. 4
†Calgary	5½	2 June 1944	75.00	85.00	7.90	88.00
†Edmonton	5½	1 Nov. 1945	86.00	90.00	6.88	88.00
†Halifax	5	1 July 1961	110.50	113.50	4.15	110.50
Hamilton	5	1 May 1950	105.25	108.25	4.25	105.25
Montreal	5	1 Mar. 1945	102.50	105.00	4.35	104.25
Ottawa	4½	1 July 1945	105.25	108.25	3.50	105.25
†Quebec	5	1 June 1959	105.50	108.50	4.42	105.50
Regina	5	1 July 1944	75.00	80.00	8.25	85.00
St. John	5	15 Dec. 1950	105.50	108.50	4.25	105.50
†Toronto	4½	1 Jan. 1955	105.85	108.85	3.85	105.85
Vancouver	5	1 June 1969	87.00	91.00	5.59	87.00
Victoria	5	21 July 1945	92.00	96.00	5.53	92.00
Winnipeg	5	1 Mar. 1944	103.00	105.00	4.29	104.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)
September 10, 1935

Industrial Stocks:	Bid	Asked
Acadia Sugar, c.	2.70	2.95
Do., 6% pfd.	4.75	5.00
Acme F. Dairy, p.	41.00	...
Allens Beach, p.	50.00	...
Allens Tor. p. b. c.	23.50	...
Aluminium Ltd.	26.00	29.50
Andian National	46.00	47.50
Atlantic Sugar, p.	105.00	106.50
B. C. P. & P., p.	7.00	10.00
Burns & Co. Ltd. A	4.00	5.00
Do., B	2.75	3.50
Can. & Dom. Sug.	56.00	57.50
Canada Paper, p.	64.00	75.00
Canada Starch, c.	14.00	...
Do., pfd.	82.50	...
Can. Wire & C. p.	58.00	60.00
Can. Indus. A, c.	198.00	...
Do., B, c.	196.00	200.00
Do., pfd.	158.00	160.00
Can. Marconi, c.	1.65	2.00
Can. P'board, p. b.	4.00	6.00
Can. Tube 1st pfd.	27.00	...
Can. Westinghouse	46.00	48.00
Chase, pfd. bonus	23.50	26.00
Cl. Neon Ad. U.	4.25	5.00
Copeland Fl. M. U.	4.25	6.00
Corr. P. Box, p.	78.75	81.50
Dom. F. & Steel Com. (New)	20.00	21.50
Do., 6% p. (New)	75.00	...
Dom. Manufac., c.	2.00	...
Donna. Paper, A	2.25	3.00
Dunlop Tire pfd.	...	67.50
Eastern Dairies p.	12.00	14.00
Edmonton C. Dairy pfd.	49.00	...
Fed. Grain, c.	.75	1.25
Do., pfd.	27.00	29.00
Gen. St. Wares, p.	39.00	40.00
God. Elevator	5.00	6.00
Greening Wire, p.	99.00	101.00
Guelph Carpet, p.	97.00	99.00
Do., com.	14.50	15.75
Hayes Wheels p.	...	9.50
Highland Dairy, c.	3.00	3.50
Do., pfd.	80.00	...
Hueth. Brew. p. b.	2.50	3.25
Inter City Bak., c.	17.25	19.50
Inter. Met. Ind. A pfd.	30.00	35.00
Loew's London, p.	1.75	2.10
Loew's Tor., p.	112.00	...
Mansf. Theat., p.	25.00	26.00
Maple Leaf Gdns. p.	3.65	4.35
Massey Harris, p.	24.75	25.75
Mercury Mills, p.	4.75	7.00
Morrow Screw p.	94.00	...
New M. Laund. pfd. bonus	65.50	70.00
Niag. W. Weav. p.	50.50	52.00
Para. Oshawa, pfd.	55.00	...
Prov. Paper, p.	98.50	100.50
Rel. Grain, p.	59.00	62.50
Rob. Cons. Cone	8.00	8.75
Rolland Paper, p.	85.25	87.00
Ruddy, E. L., pfd.	26.50	30.00
Silver. Dair. p.	39.50	...
Stand. Fuel. p. b.	101.00	103.00
Super. Pet. B, p.	26.50	28.00
Tor. Carpet pfd.	26.00	...
United Amuse., A	10.00	12.00
Do., B	9.50	11.00
Un. Steel, pfd.	3.50	4.25
West. Grain, p. b.	10.00	11.50
Insurance Stocks:		
Brit. America	35.00	38.00
Canada Life	465.00	475.00
Canadian Fire	73.00	78.00
Can. Ins. Sh., c.	9.50	10.75
Con. L. 20% pd.	122.00	125.00
Cont. L. 20% pd.	34.00	39.00
Crown Life	105.00%	...
Dominion Fire	112.00	...
Dom. Life 50% pd.	265.00	295.00
Dom. of Can. Gen. Ins.	...	85.00
Empire L. 25% pd.	5.00	...
Excel. L. 30% pd.	71.00	74.00
Fed. Fire 25% pd.	34.00	39.00
Fidelity of Can.	47.00	...
Gt. West Life	390.00	405.00
Guar. Co. of N. A. fully pd.	240.00	...
Imperial Life	320.00	...
Manu. Life	250.00	280.00
Mon. L. pd.	16.00	18.00
Nat. L. 25% pd.	53.00	57.00
Sov. L. 25% pd.	14.00	18.00
Sun Life	390.00	415.00
Tor. General Ins.	4.25	5.25
West. Assur. com.	34.00	37.00
Do., 12% pd.	39.50	47.00
W. Emp. Life 20% pd.	...	8.50
Trust & Loan Stocks:		
Chartered Trust	75.00	...
London & W. Tr.	34.00	36.50
Premier Trust	87.00	91.00
Sterling Trust	30.00	35.00
Traders Fin. B p.	63.50	...
Do., com.	.50	...
Trusts & Guar.	31.00	34.00
Victoria Trust	120.00	125.00
Waterloo Trust	98.00	...
Investment Trust Shares:		
Can. Gen. Invest.	6.35	6.50
Can. Investors	5.80	6.50
Can. Int. Tr. U.	26.25	28.50
Cons. Div. St. U.	10.50	12.25
Deb. & Sec., p.	26.00	29.00
Dom. & Anglo Inv. U.	198.00	...
Dom. Scott. In. U.	22.50	26.50
For. Power, p.	8.00	10.00
Invest. Found. U.	38.50	41.00
Sec. Holding C. U.	11.50	13.00
United Corpns. A	17.65	18.25
Do., B	5.75	6.25
Power Issues:		
Calgary Power, p.	80.50	83.00
Can. L. & P. c.	25.00	29.00
Can. W. Nat. Gas, pfd.	90.50	93.00
Do., com.	17.00	21.00
Gt. Lakes Pwr., p.	62.00	67.00
Mar. Tel. & Tel., p.	14.75	15.50
N. B. Tele., com.	10.50	11.25
N. S. L&P com.	46.50	...
N. S. L&P, p.	97.00	99.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	3s. 4½d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier. $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	10s.
Can. West. Lumber	10½d.
Hudson's Bay	17s. 6d.
Do., pref.	88s. 9d.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Winnipeg Stock Exchange

(Transactions from Aug. 30 to Sept. 6)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Sept. 6
..	..	Can. Fire Insur.	3	72.00	72.00	72.00
..	..	Crescent Cream., pfd.	7	30.00	30.00	30.00
..	..	Flin Flon Synd.	15,425	.23½	.20	.23½
..	..	Forty-Four	50	5.75	5.75	5.75
..	..	Knee Lake	3,700	.28	.27	.27
..	..	Gold Lake	2,000	.22	.21	.22
20	..	Great-West Life	1	400.00	400.00	400.00
..	..	Island Lake	8,500	.02	.02	.02
..	..	Laguna	500	.40	.40	.40
1	6.7	United Grain	15	14.00	14.00	14.00
..	..	Wings Ltd.	200	1.40	1.40	1.40
..	..	Wingold	5,900	.05	.04½	.04¾
..	..	Wylie Dom.	3,500	.08½	.08¼	.08½

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, c.	..	3
City Dairy, A	..	10
Federal Grain	..	75
Federal Grain, pfd.	29	30
Home Investment	25	..
Monarch L. 10% pd.	17	18½
Northern Trust	..	7
Pelissiers, pfd.	15	18
Rel. Grain, pfd.	..	66½
West. Grain, pfd.	8½	..
West. Brew.	..	2
Can. Amer. Trust	3.05	3.30
Can. Inv. Fund	..	3.75
Ore Grande	.04	.05
Vanson Man.	.02	.03
Fundamental A	4.93	5.50
Series B	4.66	...
Grouped Inc.	4.65	5.05

*Stocks more active on other exchanges not included.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Medical Practice for Sale

HOUSE AND OFFICE, FORMERLY occupied by the late Dr. W. A. Meighen, Perth. Splendid location on through highway. Live town, with good hospital. Fine opening for young physician or surgeon. Price $3,000.00 for quick sale. Terms to suit. Apply Executor Estate late Dr. W. A. Meighen, Perth, Ontario.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1935, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of October, 1935, to shareholders of record of the 20th September, 1935.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 15th August, 1935.

A. J. Freiman, Limited

DIVIDEND NOTICE

A dividend of one and one-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 1st day of October, 1935, to shareholders of record September 14, 1935.

By resolution of the Directors.

Dated at Ottawa the 6th day of September, 1935.

S. R. OUELLETTE, Secretary-Treasurer.

The Toronto Mortgage Company

Quarterly Dividend

NOTICE is hereby given that a dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st October, 1935, to Shareholders of record on the books of the Company at the close of business on 14th instant.

By Order of the Board,

WALTER GILLESPIE, Manager.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the ninetieth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending November 30th, 1933, on the Preferred stock of the Company has been declared payable to shareholders of record the 15th day of September, 1935, and cheques will be mailed October 1st, 1935.

Books not closed.

By order of the Board.

P. W. HOLLINGWORTH, Secretary-Treasurer.

Montreal, Que. September 5th, 1935.

The Ontario Loan and Debenture Company

193rd DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 per cent for the current quarter ending 30th September, 1935 (being at the rate of 12 per cent per annum) has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 1st October, 1935, to Shareholders of record of the 16th September, 1935.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario, 4th September, 1935.

Western Grocers Limited

Notice of Dividend

A dividend of one and three quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited has been declared for the quarter ending September 30th, 1935, payable October 15th, 1935, to shareholders of record September 20th, 1935.

By order of the Board.

W. P. RILEY, President.

Winnipeg, September 4th, 1935.

Western Grocers Limited

Notice of Dividend

A dividend of Fifty Cents (50c) per share on the Common Stock of Western Grocers Limited has been declared payable October 15th, 1935, to shareholders of record September 20th, 1935.

By order of the Board.

W. P. RILEY, President.

Winnipeg, Man. September 4th, 1935.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Preference Dividend No. 102

NOTICE is hereby given that a dividend of 1¾% for the quarter ending September 30, 1935, being at the rate of 7% per annum, has been declared on the Preference Stock of the Company.

Common Dividend No. 123

NOTICE is also hereby given that a dividend of 75 cents per share for the quarter ending September 30, 1935, being at the rate of 6% per annum upon the par value of the stock, has been declared on the Common Stock of the Company.

The above dividends are payable on October 1, 1935, to shareholders of record at the close of business on September 14, 1935.

By Order of the Board,

W. H. NESBITT, Secretary.

TORONTO 2, September 5, 1935.

DIVIDEND NOTICES

CANADA PERMANENT Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of EIGHT PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

TUESDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fourteenth day of September, 1935.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, August 21st, 1935.

The Montreal City and District Savings Bank

DIVIDEND NOTICE

A dividend of three dollars per share, on the paid-up Capital Stock of this Bank, has been declared for the current quarter, payable on and after Tuesday, the first day of October next, to shareholders of record, Saturday, the fourteenth day of September next, at twelve o'clock noon.

By Order of the Board,

T. TAGGART SMYTH, General Manager.

Montreal, August 27th, 1935.

BRITISH AMERICAN OIL COMPANY B-A LIMITED

Notice is hereby given that the regular dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the third quarter ending September 30th, 1935. The above dividend is payable in Canadian funds, October 1st, 1935, to shareholders of record at the close of business on the 17th day of September, 1935. Transfer books will not be closed.

Share Warrant Holders will present Coupons Serial No. 22 to the Royal Bank of Canada, Toronto, Ontario, or to the Royal Bank of Canada, Montreal, Quebec, on or after October 1st, 1935.

Certain Shareholders of Bearer Share Warrants have not yet exchanged their warrants for the new certificates bearing coupons numbered 21 to 40 inclusive. It should be clearly understood that dividends cannot be claimed and paid until the proper coupons attached to the new certificates are presented. The exchange can be effected by sending the old share warrants with talon attached, by registered mail to the Chartered Trust and Executor Company, 34 King Street West, Toronto. New share warrants with coupons numbered 21 to 40 inclusive will be issued therefor promptly.

P. W. BINNS, Secretary.

Dated at Toronto, September 9th, 1935.

The Whittall Can Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and five-eighths per cent (1⅝%), being at the rate of six and one-half per cent (6½%) per annum, on the Cumulative (Redeemable) Preferred Stock of the Company, has been declared, payable 1st October, 1935, to Shareholders of record 14th September, 1935.

By Order of the Board.

D. H. MACFARLANE, Secretary-Treasurer.

Montreal, September 9th, 1935.

Associated Breweries of Canada Limited

Notice is hereby given that a Quarterly Dividend (No. 28) of 1¾% upon the outstanding Preferred shares of the Company has been declared, the said Dividend to be payable on or after the First day of October, A.D. 1935, to Shareholders of record at the close of business on the 15th day of September, A.D. 1935.

By Order of the Board,

I. N. WILSON, Secretary-Treasurer.

Calgary, Alberta,

September 9th, 1935.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 43

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1935, payable October 15th, 1935, to shareholders of record at the close of business on September 30th, 1935.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, August 27th, 1935.

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 63

A DIVIDEND of one and one-half per cent (1½%) being at the rate of 6% per annum, on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending September 30th, 1935, payable October 15th 1935, to shareholders of record at the close of business on September 20th, 1935.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, August 23rd, 1935.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 29

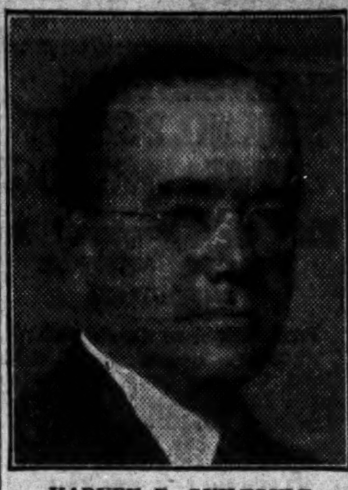
NOTICE is hereby given that a dividend of Thirty-eight cents (38c.) per Share on the Class "A" Shares has been declared for the three months ending September 30th, 1935, payable on October 15, 1935 (less 5% Dominion of Canada tax in the case of non-residents of Canada), to shareholders as of record at the close of business on September 30th, 1935. Cheques will be mailed by the Montreal Trust Company, Montreal.

By Order of the Board,

ERNEST ROGERS, Secretary.

Vancouver, B.C. September 6th, 1935.

President



HARVEY E. GUILFOYLE
Of Toronto, who was elected president of the Dominion Association of Chartered Accountants at the annual meeting in Winnipeg.

KING EDWARD FORECLOSURE PART OF DEAL

Metropolitan Life Will Own Hotel — Leased for Investors

Foreclosure of the first mortgage on King Edward Hotel Co., Toronto, by the Metropolitan Life Insurance Co., New York, will mark completion of the deal whereby National Trust Co. operates the property as receiver for holders of various junior securities of the hotel.

The Metropolitan Life has obtained court approval of final foreclosure early in October. The foreclosure involves $3,022,894, made up of a first mortgage of $2,150,000 plus $800,000 of interest arrears and $171,-792 of taxes which the mortgagee has paid on the property.

When the foreclosure is finally effected in October, the Metropolitan Life will own the property and will lease it to National Trust Co. as receiver for investors in King Edward Hotel securities. The lease was made conditional upon foreclosure by the Metropolitan Life.

Receiver is Lessee

The foreclosure means that the former liens on real estate of King Edward Hotel Co. have been closed out for the holders of these securities:

Refunding mortgage bonds;
General mortgage bonds;
A and B. debentures.

National Trust Co., Toronto, holds the furniture, equipment and goodwill of the hotel company for the security holders. Foreclosure means that it will operate the building for security holders as a tenant of the Metropolitan Life.

Whether the trust company will be able to make the hotel earn more than taxes, receivers' fees and other expenses is problematical. The lease calls for payment of $25,000 a year and 50 per cent of net profits to the Metropolitan Life. Any remaining profits would be available to the hotel security holders. The lease can be cancelled by either party after Oct. 31, 1935, on two months' notice.

In the summer months, the hotel is believed to have earned something, partly due to freer beer sale and partly because it is the tourist season. Results for the year cannot be appraised accurately, however, on the basis of seasonal earnings. The receiver will issue an annual report after the end of the year.

SECOND MEETING OF SILVERWOOD'S ADOPTS CHANGES

Shareholders Approve Reimbursements and Drop Guarantees

All went smoothly at the adjournment of the annual meeting of Silverwood's Dairies Ltd., London, on Sept. 4, according to A. E. Silverwood, president of the dairy firm.

The annual meeting was held in London Aug. 22, and at that time shareholders approved certain reimbursements to A. E. Silverwood, and his personal security firms. Approval was also given to cancellation of certain dividend guarantees. Because some preferred shareholders objected that notice of the meeting was too short, an adjournment of the meeting was held Sept. 4.

Particulars of the reimbursements and guarantees were given in The Financial Post of Aug. 31, 1935.

Approve Resolution

Mr. Silverwood states that at the meeting on Sept. 4 the following resolution was approved unanimously:

"That the shareholders present, or represented by proxy, hereby approve of the resolutions passed by the shareholders at the annual general meeting held on Aug. 22, 1935, and all other business transacted thereat."

Both meetings were engaged chiefly in dealing with the problems of guarantees and reimbursements. At the Sept. 4 meeting, J. H. Gillies, secretary-treasurer of Silverwood's Dairies Ltd. reported that the special bank loan incurred to buy Willard's Toronto Dupont St. plant had been reduced to $25,000 at Aug. 31. The loan was for $125,000 last April.

The company's annual report, which will give details of the changes approved by shareholders will appear shortly. It was not available to shareholders prior to the meetings.

Mr. Silverwood reports proceedings at the Sept. 4 meeting to The Financial Post as follows:

"Quite a number of shareholders who apparently had been unable to get to the previous meeting were in attendance. The annual financial report was gone over very carefully, explained, and all questions answered to the apparent satisfaction of the shareholders. The minutes of the previous meeting (Aug. 22) were read and carefully reviewed . . .

"Not only were the shareholders who attended this meeting (Sept. 4) unanimous, but the shareholders who attended the annual meeting held on Aug. 22 were unanimous in approving the various resolutions as they were brought up and dealt with individually."

Wheat

From Our Own Correspondent

The Market

WINNIPEG.—The wheat market bounded up sharply with the announcement by Premier Bennett of a minimum wheat price of 87½ to be paid by the Canadian Wheat Board. Offers began at once to be made above that level. The reason was that there was almost no wheat for sale. While there were some buyers, composed of both exporters and Canadian millers, who had to have some wheat even if only in limited quantities.

As soon as the announcement of the board price gave them a guarantee of a fairly high return, farmers immediately ceased to sell. They awaited further developments. The Canadian Wheat Board had no wheat for sale as it had not yet commenced to buy and it had not yet taken over supplies from its predecessor as government agency, the Canadian Co-operative Wheat Producers. The latter body, still headed, as is the new Wheat Board, by John I. McFarland, was not selling, and indeed was believed to have been buying wheat fairly extensively up to the announcement of the fixed minimum price.

• • •

McFarland Still Buys

IT MUST be noted that while the new Wheat Board is prohibited from buying wheat except directly from farmers, no such prohibition attaches to the other government agency, through which all wheat transactions on government account are still being carried on. Thus, unless Mr. McFarland decided to have government wheat sold at less than the price just announced as a buying price, which by everyone was considered unlikely, the price had to rise, so long as there was any unsatisfied demand, to a point that would tempt either farmers or Mr. McFarland to sell.

The council of the Winnipeg Grain Exchange has lifted the restrictions on trading recently made effective, except in so far as the limitation of daily fluctuations to three cents a bushel is concerned, but uncertainties of the situation until wheat board plans and organization are further advanced have operated against any great increase in the volume of trading.

• • •

Look for Firm Price

THE fixed price is regarded as establishing not only the minimum that will be offered to farmers during the crop year, but also as the minimum at which Canadian wheat is likely to be offered for sale for a certain period, of at least some weeks. It does not provide a permanent bottom to the market, for the Board not only may, but must sell wheat at less than it pays for it, if such procedure is necessary to keep Canadian wheat moving into international trade. But such a development is definitely unlikely in the immediate future, and there are forces at work in world markets which may keep the price permanently above the minimum level. These forces are mainly the unfavorable prospects for Argentine and Australian wheat production.

• • •

Marking Time

FOR the next few weeks it is probable that the fluctuations on the Winnipeg market will be governed mainly by local considerations, and it will be necessary to watch Liverpool quotations to ascertain whether or not the daily trend of world wheat prices is up or down. Farmers will certainly not sell their wheat to the trade at the Board price or less, and until the Board is actually operating and the spreads between different grades have been carefully studied and compared with open market quotations it is doubted if they will sell much unless the market offers three to five cents over Board prices.

Buyers, at the same time, will not expect that they can fill their immediate needs except at some advance over the fixed minimum. But at the same time they will expect a willingness on the part of the government agency to sell at not very much more than the minimum, realizing the fact that the Board as soon as it starts operating will have a great deal of wheat, taken over from the old agency, to sell, and that it will before long be under a good deal of pressure to get wheat moving.

Wheat Prices

(Cash Quotations)

	Aver. for week Aug. 31 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.842	0.865
No. 1 Northern	0.840	0.863
No. 2 Northern	0.811	0.833
No. 3 Northern	0.762	0.785
No. 4 Northern	0.704	0.693
No. 5 Wheat	0.629	0.654
No. 6 Wheat	0.609	0.628
Feed Wheat	0.455	0.574
At Vancouver:		
No. 1 Northern	0.808	0.827
At Toronto:		
Milling Wheat*	0.58	0.58

Competitive Export Prices: (August) shipment:

	High $	Low $
	Week to Sept. 7	
No. 1 North. (Vanc.)	0.98⅝	0.98
No. 2 North. (Atlan.)	0.98	0.94
No. 2 North. (Vanc.)	0.95½	0.95½
Argentine Rosafe	0.84⅛	0.77¾
Do., Barusso	0.82¾	0.79¼
Australian	...	...
West Australian	0.86⅜	0.85
French	0.62¼	0.62¼
Russian	0.84⅞	0.80⅞

* New crop.

Crop Loss Insurance Urged at Winnipeg

Present insurance policies, such as hail insurance, do not necessarily mean that farmers will meet costs of production, G. C. Rooke, prominent Regina accountant, pointed out at the annual convention of the Dominion Association of Chartered Accountants at Winnipeg last week. As nature plays such a dominating part in crops, it is impossible to accurately balance production with demand, he claimed, and there was thus a pressing need for insurance against crop failures. He was of the opinion that a fund established by a levy of from one to three cents a bushel on wheat in good times would have gone a long way to providing some return on the farmer's outlay.

Wheat Board Supplements Basic Price Announcement

Pressure from Three Widely-separated Grain Areas Brings Results — Vancouver on Fort William Delivery Basis—Northern Farmers Mollified

From Our Own Correspondent

WINNIPEG.—Pressure from three widely separated grain-growing areas has resulted in decisions by the Canadian Wheat Board to supplement the original announcement of a basic price of 87½ cents for No. 1 Northern wheat.

Western Alberta has been placated by putting Vancouver delivery on the same basis as Fort William, which seems to be contrary to the direct wording of the Act. This specified that farmers must receive the same price, allowing for freight, on the Fort William basis. But the view of the board, apparently, is that parliament must have overlooked the position of the farmers who can ship to Vancouver on a lower freight rate than to Fort William. The action now taken amounts to something of a bonus, because Vancouver prices have not for a considerable time been on a parity with Fort William, and the extra cost to the board may be anything up to 3 cents a bushel from the area in question.

Farmers Mollified

Farmers in southern Manitoba have been mollified by placing grades 1, 2 and 3 of Durum wheat on the same basis as 1, 2 and 3 Northern wheat. Since the Durum grades have lately been selling at varying discounts, ranging up to 12 cents a bushel under the corresponding Northern grades, this amounts to a considerable concession. The announcement tended to bring trading in Durums to a stop, as new Durums could not be bought at anything approaching the official basis. Farmers had to be advised to await the opportunity to sell to the board. Those already having durum wheat showed a tendency to hang on to it.

Garnet Concessions

The most startling concession planned, it is believed, but not yet announced, is in connection with Garnet grades, by which No. 1 and No. 2 Garnet would be put on an equality with corresponding Northern grades. Farmers in northern part of the prairies have been annoyed with the price results which followed the recent establishment of separate Garnet grades, and have been threatening to show their resentment for the Canada Grain Act amendments providing for separate grading. Garnet grades were not only expected, but intended to sell on a lower basis than Northern grades, the official theory being that farmers should be encouraged to grow substitute varieties regarded as better. Parliament recently provided a million and a half dollars to take care of losses arising from changing the official grading on wheat containing Garnet already in store. Applying the Northern grade basis to Garnet wheat will mean from 5 to 7 cents additional per bushel to farmers growing it.

Extra Costs Seen

These three concessions, if the one last mentioned is put into effect, may impose extra costs, amounting to several million dollars, on the operation of the wheat board. Additional concessions are being demanded, especially in the way of fixing a price on feed wheat well in excess of market valuation.

There are also reports of attempts to put pressure on the government to extend the operations of the wheat board to cover oats, barley, rye and flax, and to fix prices on these grains in excess of current values. This could be done, under the Act, by order-in-council. But without that authority the board cannot deal in other grains than wheat.

The Board is completing its organization. Preparations are being made for buying such wheat of the current crop as may be offered by farmers at the fixed minimum price. Conversations are in progress with the elevator companies leading to contracts by which these companies will act as agents for the board in making payments to farmers and in collecting and storing wheat.

Value Doubtful

The Board has had to organize with uncertain ideas as to the extent of its probable operations. Conceivably it may have to handle all the wheat of the 1935 crop that has not yet been sold. This will certainly be the case if farmers are not able to obtain elsewhere more than the Board's minimum prices for different grades. Conceivably also it may handle hardly any new crop wheat, as will be the case if market prices rise much above the level of the Board's price.

Again it may find itself buying most of the wheat of some grades, and little of other grades, as would occur if the spreads in price it makes between different grades vary much from those which the market subsequently establishes.

Value of Certificates

A farmer who sells wheat to the board will receive, along with his fixed cash payment, a participation certificate entitling him to a share in any profits realized by the board on its year's operations. With participation certificates still outstanding and entirely valueless on the pool handling of the crops of 1929 and 1930, it is not probable that any great value will be placed by farmers on such certificates. Few will likely be prepared to risk more than a few cents a bushel in acquiring them, by selling to the Board when the market would pay more. Farmers who expect the certificates to be worth anything will be anticipating higher prices for wheat later on, and for the most part would be inclined to hold their wheat, if possible, for such prices.

Some Doubts

It is clear from the Canada Wheat Board Act that any payments on participation certificates can only be made after the Board sells all of the 1935 crop it acquires. It is not clear whether such sales are to have precedence over the selling of the carryover wheat to be acquired from Canadian Co-operative Wheat Producers. Nor is it clear whether any losses incurred in liquidating the latter fall directly on the government or may be liquidated out of any possible profits on new crop wheat.

Places 1935 Crop 271,000,000 Bus.

A revised estimate by Gordon Brown, of Regina, places the Canadian wheat crop this year at 271 million bushels. Of this, Mr. Brown estimates that only 225 millions will be fit for flour, the balance to be used for feed. By provinces his estimates in millions of bushels are as follows:

	1935 (estimate)	1934 (actual yield)
Manitoba	21	36
Saskatchewan	143	114
Alberta	107	112

Italy's Wheat Supply Drops, Contracts Made With Russia

The report that Italy has contracted for large supplies of Russian wheat confirms previous impressions that Italy's production this year has fallen considerably below ordinary domestic needs, and that these will be decidedly increased by requirements for military purposes.

At the same time it reveals that Russia's surplus for export may be considerably greater than earlier anticipated. Russia may be encouraged by the comparatively good prices now prevailing for wheat to ship out larger quantities than she might otherwise have been inclined to spare.

According to earlier estimates, the 28,000,000 bushels mentioned as comprised in this transaction would practically exhaust Russia's export surplus. That is a quantity which can only be guessed at, for a total production between 800,000,000 and 900,000,000 bushels leaves a wide margin for possible fluctuations in internal needs.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William (Sept. 6)	48,373,359	48,075,121	56,460,072
Country elevators (Aug. 30)	43,987,088	43,301,535	72,905,514
Total (all points), (Aug. 30)	193,860,485	193,488,379	193,929,924
World Shipments (incl. flour): Aug. 31:			
North American	2,645,000	2,870,000	4,621,000
Argentine	1,890,000	3,998,000	2,880,000
Australian	1,068,000	1,705,000	1,144,000
Black Sea	1,144,000	872,000	256,000
Total (world)	7,395,000	10,243,000	8,464,000
Visible Stock: Sept. 6:			
Canadian	134,730,000	131,807,000	106,220,000
United States	61,450,000	59,103,000	115,481,000
Argentine	10,654,000	11,022,000	19,005,000
Australian	25,000,000	27,496,000	45,000,000
Country Marketings and Exports:†			
Canadian exports (Aug. 30)	2,020,022	2,237,851	3,676,080
Cum. to Aug. 30 (4 weeks)	7,834,096	5,632,074	13,914,321
Country marketings (Aug. 30)	4,802,509	2,313,638	16,491,316
Cum. to Aug. 30 (4 weeks)	10,181,851	5,379,342	31,527,037
Country deliveries (Sept. 6)‡	26,210,000	7,092,000	48,760,000
Country loadings (Sept. 6)‡	24,274,000	5,597,000	35,320,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Sept. 10, 1935

Crop year from Aug. 1, 1935 High	Low		Open Sept. 4	High for week	Low for week	Close Sept. 10
		Wheat				
.90	.82⅝	Oct.	.82⅝	.89⅝	.82⅝	.88¾
.90	.82⅝	Dec.	.82¾	.90	.82⅝	.88¾
.90	.85⅝	May	.85⅝	.92	.85⅝	.90⅞
		Oats				
.35⅛	.31⅞	Oct.	.32⅛	.33⅞	.31¾	.32¾
.33⅛	.30	Dec.	.29½	.31½	.29½	.30⅛
.33⅝	.32⅝	May	.32⅞	.33⅝	.32⅝	.33⅝
		Barley				
.37⅞	.32⅛	Oct.	.32⅝	.35¼	.32⅛	.34⅝
.38½	.32¾	Dec.	.33⅛	.35⅞	.32¾	.35⅝
.38¾	.36¾	May	.37½	.38¾	.36¾	.38⅝
		Flax				
1.33	1.21¼	Oct.	1.28¾	1.33	1.28½	1.30¾
1.29¼	1.19¾	Dec.	1.27	1.32¼	1.26½	1.29¾
1.34	1.33	May	1.33¼	1.34	1.33	1.33
		Rye				
.42½	.36¾	Oct.	.36¼	.40⅝	.36⅛	.39⅝
.43⅝	.38⅛	Dec.	.37⅝	.41¾	.37¼	.40⅞
.....	.....	May	.42¾	.44⅞	.41⅞	.44⅝

Great West Saddlery Loss $10,661 for 6 Mos.

Great West Saddlery Co. has a loss of $10,661 after depreciation interest and other charges in the six months ended June 30, 1935. This compares with a profit of $2,465 in the 1934 period.

Results for the company's year which now ends December 31 may differ from those for the six months. It depends largely on sales for the remainder of the year. Formerly the company's fiscal year ended June 30. It was changed to December 31 by a by-law passed recently.

146 Million Bushels Seen as Sask. Spring Wheat Crop

From Our Own Correspondent

REGINA, — The Saskatchewan Wheat Pool has estimated the spring wheat crop for this province at 146,000,000 bushels approximately. The average yield according to their tabulations is 11.2 bushels per acre. Durum wheat averages higher, 15.4 bushels an acre with a total yield of approximately 2,985,-000 bushels an acre.

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News of Canadian Mining Investments

The Week in Mining

Russian Gold Again

ALMOST feverish concentration on gold mining is evident in Russia, judging from a recent dispatch to the New York Times by that paper's famed Russian correspondent, Walter Duranty. Mr. Duranty states that the sharp increase in gold production is noticeable chiefly in Siberia and Central Asia, where there are now upward of 100,000 men employed on the basis of a "grub stake," plus a percentage of the gold.

Mr. Duranty believes that it is well within the bounds of possibility that Russian gold output this year will reach $400 millions in value. It will be remembered that Joseph Stalin announced in 1933, in which year Russia's gold output was estimated to have a value of $105 millions, that production would be trebled in two or three years.

While the New York Times correspondent, being close to the scene, is probably in a better position than most people to make such an estimate, it is extremely difficult at this distance to credit his predictions. In 1934 the American Bureau of Metal Statistics estimated that total gold production from Russia and Siberia amounted to 4.2 million oz. which, even at the full price of $35 per oz. would make the value of Russia's output only $147,000,000.

If this figure, in the course of twelve months, is raised to $400,000,000 it will be a truly amazing achievement.

* * *

Pax or Tax?

WHILE Canadian mining markets have not been exactly ebullient of late weeks, they have stood up well as compared with conditions at Johannesburg and in London, where South African gold shares have dropped sharply.

Most of the Rand's worries have to do with such domestic problems as crooked promotions, uncertainty as to taxation, wage problems and, most serious of all, financial indigestion, as the result of excesses in the number and quality of mining promotions.

There has, however, been some attempt to explain away the decline in South Africans by blaming it on the uncertainties which would surround the price of gold in the event of a war provoked by the Italian Abyssinian situation. In Canada, also, the argument has been heard that such a conflagration would result in a drop in the price of gold.

In this respect it is interesting to note that commentators in the less flamboyant English and South African financial journals are almost unanimous in agreeing that while the effect of a large scale war on gold prices is an open question, it is much easier to prove that war would cause gold prices to rise, rather than drop. The trouble in the Rand can largely be blamed on fears as to the 1936 taxation policy, they agree.

Any uncertainty which surrounds the gold share market at the present time is caused as much by tax worries as by pax worries.

* * *

Death Strikes

SUDDEN death has, in the course of a week, robbed the Canadian mining world of two of its most creditable personalities, Lt.-Col. H. H. Yuill, in Vancouver, and W. R. Rogers, in Toronto.

A Canadian by birth, and graduate of a Canadian University, Col. Yuill, after winning for himself an international reputation for the work he did in India, Africa, and Asia, settled in Vancouver. The value of his contribution to the British Columbia mining industry, and indirectly, to the Canadian mining industry, is beyond estimation. Many years from now, the effects of Col. Yuill's work in this country will be felt.

W. R. Rogers was for many years chief of the department of publications and statistics, a branch of the Ontario Department of Mines. His position brought him into close contact with mining men throughout the province, and his work earned for him the respect of the Ontario mining world.

Both these men were of the calibre which the Canadian mining industry can ill afford to lose.

* * *

Gold Shares Recover

THE indifference which has marked trading in gold stocks, a condition which has dominated the mining market for a number of weeks, has been replaced by considerable activity and as a result gold share prices have turned upward.

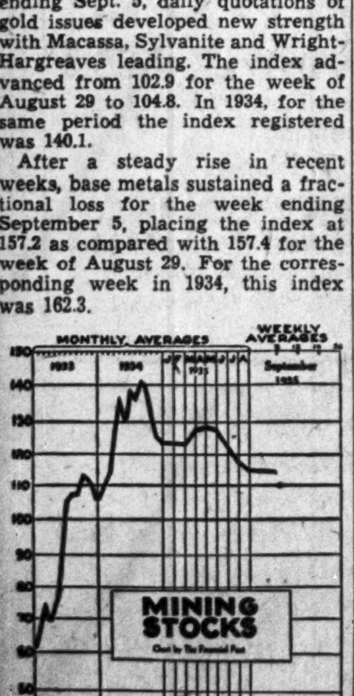
* * *

Index of Mining Stocks

OWING to a moderate improvement in prices for gold issues, the general index of mining stocks mounted from 113.4 for the week of Aug. 29 and to 114.9 for the week of Sept. 5. For the comparative week last year this index was 143.3.

In the latter part of the week ending Sept. 5, daily quotations of gold issues developed new strength with Macassa, Sylvanite and Wright-Hargreaves leading. The index advanced from 102.9 for the week of August 29 to 104.8. In 1934, for the same period the index registered was 140.1.

After a steady rise in recent weeks, base metals sustained a fractional loss for the week ending September 5, placing the index at 157.2 as compared with 157.4 for the week of August 29. For the corresponding week in 1934, this index was 162.3.



LITTLE LONG LAC NORTHERN EMPIRE INCREASES OUTPUT

L.L.L. Now Operating on Basis of 200 Tons Daily

From Our Own Correspondent

GERALDTON, Ont.—At either end of the Beardmore—Long Lac gold field, two producers are pointing the way for other mine efforts, and recently both of these have been brought up more nearly to the original plans of their sponsors. Thus, quite recently Little Long Lac Gold Mines has attained its 200-ton daily objective—in fact has been on occasion run a little above that—and it is expected that this leader in the field will be able to maintain this rate without any lowering of grade.

Operating at an average of 161 tons daily for the second quarter of 1935, Little Long Lac recovered $247,533, or $17.11 per ton, and the management expects to maintain similar grade with the boost which has been impending since the mill got under way. The increase in capacity has been accomplished by the installation of new equipment and the application of knowledge gained after the mill was put in operation.

Northern Empire Mines Co., the Newmont subsidiary operating the former Beardmore mine at the western end of the belt, is close to its objective of 150 tons daily, following the addition of cyanide equipment and changes in the flowsheet. Starting at around 80 tons per day, Northern Empire has gradually stepped up its plant. In the second quarter of the year, the average treated was 127 tons daily, which has since been increased, but under the former figure a decided improvement in grade was enjoyed, with average per ton milled running $14.66.

Grab Samples from N. W. Ont.

From Our Own Correspondent

LOCHALSH.—Companies which during the boom around the Kenty Gold adopted some name with Swayze in it, continue to discard this type of title in favor of something either more popular or descriptive of present effort. One of the latest of these is Swayze Goldfield, Ltd., which, while retaining its property in the Swayze field has branched into exploration in the active West River section of Sudbury. Concurrently, the name is being changed to Stratton Lake Mining Co., the new name being prompted by the acquisition of six claims near Stratton Lake, in the vicinity of the McMillan and Bosquet operations. A programme of exploration is planned.

* * *

Hopkins Options Property

Additional activity in the Schreiber field is presaged by an option given by P. E. Hopkins, geologist, on the property previously held by Wm. Longworth and Matt Kauppi, not far removed from North Shores Gold Mines. Showings are said to carry values in silver, lead and gold, with especially good assays in silver, and as the break is a strong one the prospect will get more extensive exploration than has heretofore been accorded it.

* * *

Old-timer Heard From

Diamond drilling is under way on the Big Master Mine, one of the oldtimers of the Manitou Lake area south of Wabigoon on the main line of the C. P. R., in a revival of a property that has had intermittent activity since the early part of the present century. Underground work was done and a mill erected at that time, but with the exception of brief periods of interest, the Big Master has been idle for decades. The diamond drilling now being done is for the purpose of proving ore shoots in addition to the main bodies which impelled the earlier work, and for general structural information. The operating company is Big Master Consolidated Gold Mines, in which Leader Gold Mines holds a stock interest.

* * *

Coyle Drops Interest

Recently it was announced that the Ontario Woman Lake prospect of Medicine Rock Gold Mines, was to be developed by interests associated with Siscoe Gold Mines, Ltd., the venture being a private one of G. N. Coyle, director. It is now stated that these plans have been abandoned, and that Mr. Coyle is no longer connected with the project. The property is in the Woman Lake section of Patricia District, adjacent to J.-M. Consolidated.

* * *

Richelieu Activity

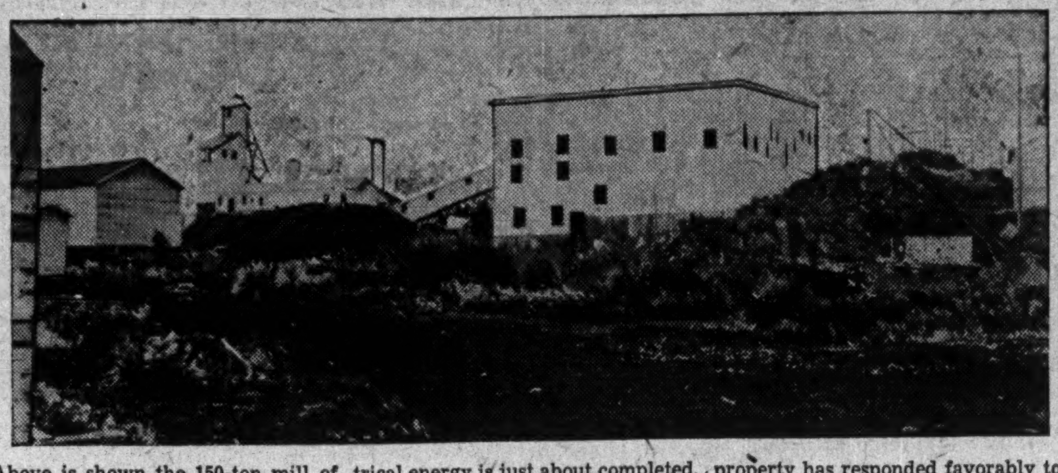
Richelieu Gold Mines is now driving on the second level at 250 ft. to intersect downward extension of ore opened on the first level, following recent completion of the shaft to 278 ft. On the first level, two ore shoots have been developed, the first of which was cut in the shaft during sinking and again picked up in the drives on both levels; the second has not been cut on the second level as yet. The Richelieu is the second most advanced prospect in the Sturgeon Lake field of northwestern Ontario, where St. Anthony Gold Mines maintains leadership. The latter is expected to reach a production figure of $35,000 for August.

* * *

Back to Old Section

The swing of the pendulum in exploration interest is well demonstrated by current and proposed work at Hard Rock Gold Mines, where attention is directed to the original section of the property at one time explored to some extent by the famous Homestake Mine of South Dakota. The W. W. (Hardrock) Smith was the first gold discovery in the Little Long Lac area, and following the discovery a major "rush" developed. Homestake optioned the Smith, drilled it and abandoned it, and this was a factor in dampening ardor in that field for a while. When Little Long Lac Gold Mines' results restored confidence in the field, Hard Rock Gold Mines was formed on the Smith-Rea property, and work in an entirely new section from a shaft has opened important ore. Now, however, in an endeavor to prove the indicated large bodies of medium to low grade material represented in the first discoveries some distance from the shaft area, surface trenching, rock blasting and diamond drilling is under way, and this section may yet reveal the most important mine possibilities of the Hard Rock ground.

God's Lake Gold Mines—Producer



Above is shown the 150-ton mill of God's Lake Gold Mines which is to begin milling on September 15. Electrical power from the company's Kanuchuan Rapids development has been delivered at the property and the change-over from steam to electrical energy is just about completed. At the present time mill machinery is being turned over prior to starting production. God's Lake Gold Mines has been a rather rapid mine-making job. Staked in July, 1932, by Robert J. Jowsey, veteran mining man, the property has responded favorably to a well-directed programme and has reached the production stage just a little over three years after it was discovered. To the left of the mill, in the above picture, can be seen the headframe and other mine buildings.

Iron Jaws At God's Lake Get First Ore On Sept. 15

Pioneer in New Manitoba Field Starts Production With Ore Reserves of About 100,000 Tons — Profit Should Be $6.74 Per Ton

God's Lake Gold Mines, pioneer gold discovery in the God's Lake area of Manitoba, will begin production on September 15, with definite ore reserves of about 100,000 tons.

The tuning up process of the mill began Friday, September 6, when several motors were turned over for the first time, but to will be Sunday next before the mill receives its first taste of ore. Robert J. Jowsey, president, left for the property on Thursday of this week in order to personally superintend the commencement of milling operations.

Everything is ready for production, Mr. Jowsey told The Financial Post, only the tuning up and final adjustment of mill machinery remaining to be completed. Power from the company's Kanuchuan Rapids development was delivered at the property on August 30, and the change over from steam to electrical power at the mine is just about complete.

Development of the company's power site at Kanuchuan Rapids has been rapid, the project being carried to completion and power delivered at the mine in less than a year from the date of commencement of work at the power site. The plant has an initial capacity of 2,000 h.p., but the capacity can be stepped up to 6,000 h.p. by the construction of two additional units. The canal, dam, etc. have been constructed to provide for the development of 6,000 h.p.

At the present time the company's own mine is the only customer for power from the Kanuchuan Rapids plant. There are, however, several prospective customers in the field. These include Jowsey Island Mines, a subsidiary of God's Lake, which has commenced sinking a shaft, and Knee Lake Gold Mines, which is controlled by associated interests.

Ore Reserves Higher

Questioned with regard to development and ore reserves Mr. Jowsey stated that results since the company's annual report was issued have been encouraging and that the company now has ore reserves of approximately 100,000 tons of an average grade of 0.43 ounces, allowing for 20 per cent dilution in mining. This is about two years' ore supply at a milling rate of 150 tons daily. Ore reserves were estimated in the annual report which was issued early in March at 76,000 tons of an average grade of .43 ounces.

Development during the past two weeks has been at a standstill while the change from steam power to electrical power has been in progress. The work of electrifying the mining plant both on surface and underground is about completed. It is expected that development work will be resumed early next week.

While definite figures as to costs and recovery will not be obtainable until the mill has been in production for three months it was estimated in the company's annual report that the cost, exclusive of depreciation and taxes, will approximate $7 per ton milled. The initial unit of the mill under normal operating conditions will handle 54,000 tons of ore annually. The indicated grade after allowing for dilution is $14.62 per ton, with gold at $34 per ounce. With a recovery of 94 per cent, the recoverable value of the ore would be $13.74 per ton, or about $742,000 per year. Wth costs at $7, operating profit would amount to $6.74 per ton or approximately $360,000.

In addition to the programme at the main property, God's Lake is also engaged in diamond drilling its Gold Standard group of claims, about 2½ miles west of the God's Lake mine. According to official advice drilling on this property has intersected a two-foot section from which core assays ran three ounces gold per ton.

Canada Now Fourth As Producer of Gold

Figures issued by the American Bureau of Statistics for the first six months of 1935 support the fact, commented on recently in The Financial Post, that United States, including the Philippines, has passed Canada as a producer of gold and that the Dominion now stands in fourth position among the gold-producing countries of the world. In 1933 Canada ranked second and in 1934, third, in the latter year being passed by Russia.

This change in ranking during the first six months of the current year merely reflects a more rapid increase in gold output in the United States than in Canada. Production in Canada in this period was 71,000 ounces higher than in the corresponding period of 1934 and at the same time the value of the Canadian gold output was the highest ever recorded for any similar period in the history of this country's mining industry.

B.R.X. Mines Ratifies French Financing Deal

Shareholders of B.R.X. Gold Mines have approved a new financing deal arranged with French interests.

Under the terms of the agreement, a new company, B.R.X. Consolidated Gold Mines, will be formed to take over the assets and assume the liabilities of the present company. The new company is to be capitalized at 3,750,000 shares, par value 50 cents each. Of this amount, 1,250,000 shares will be allotted to the present company and held in escrow until released by the superintendent of brokers.

A French financial group has agreed to purchase 100,000 shares to net the company 20 cents per share. In addition, the French group is taking an option on the remaining 2,400,000 treasury shares at a net price of 20 cents per share.

Block of Payore Stock To Be Handled in U. S.

Word has been received in Toronto of the effective registration by the Securities and Exchange Commission at Washington of a block of 1,400,000 shares of Payore Gold Mines, to net the company a maximum of $630,000. Negotiations were completed some weeks ago through a prominent group of New York and Mid-west brokers, the deal having been held in abeyance pending the approval of Washington.

It is believed that this is the largest block of stock in a Canadian company to receive the approval of the Washington authorities.

South Tiblemont All Ready To Start Mining Operation

From Our Own Correspondent

SUDBURY.—Installation of mining plant and construction of camps have been completed by South Tiblemont Mines at its Beckley property in the Wanapitei Lake area, near Sudbury. Everything is now ready to begin mining as soon as the new company organization is completed.

Plans are to dewater the 46-ft. shaft, sunk by previous interests. The shaft will be deepened and lateral work begun to open up the ore indicated by drilling, and which is believed to aggregate about $250,000.

It is understood announcement of the new subsidiary company which will operate the Beckley will be made within a few days. It will have an authorized capital of 2,500,000 shares. Half of the vendors' stock will be given to South Tiblemont Mines, it is reported, by reason of the fulfillment of their contract in preliminary exploration. Officers and directors of the subsidiary company have not yet been announced, but it is intimated that three of the South Tiblemont directors will be appointed and three from outside interests.

Premier Cashes in On Sale of Tarkwa

Further details of the sale of Tarkwa Gold Areas Ltd. by American Smelting & Refining Co., in the Gold Coast, West Africa, to Amalgamated Banket Areas, London Mining Trust, were revealed recently when it was officially announced that the properties fetched £850,000, or at current exchange rates, approximately $4,250,000.

The Tarkwa Gold Areas are jointly controlled by Premier Gold Mining Co., and the parent American Smelting & Refining Co. For its 49 per cent interest in the property, Premier will accordingly receive £416,500 or approximately $2,078,335.

Since Premier's share of the purchase price was $395,500 a clear profit of over $1,600,000 is indicated.

BIG TRUSTS IN U. S. JUST CAN'T AGREE ON MINING STOCKS

Reports to Sec Reveal Exactly Opposite Policies

Those investors who seek a clue to their market operations in the action of United States investment trusts, as reported periodically to the Securities Exchange Commission, will find themselves in a quandary in the latest report, which shows two powerful investment trusts adopting diametrically opposite policies in connection with Canadian mining holdings.

The following table illustrates that while Blue Ridge Corp., large investment trust lightened their portfolio by sale of considerable Canadian mining stocks, Shawmut Association, adopting the opposite view, materially increased their mine stocks.

Following are the changes in common stock holdings of these two concerns between December 31, 1934 and June 30, 1935:

	June 30 1935	Dec. 31 1934	Net Change
Blue Ridge Corporation			
Dome Mines Ltd. ..	....	4,000	—4,000
Inter. Nickel	20,000	25,000	—5,000
McIntyre Porcupine	4,000	5,500	—1,500
Newmont Mining ...	7,500	8,000	—500
Roan Antelope	....	6,000	—6,000
Wright-Hargreaves .	5,100	5,500	—400
Shawmut Association			
Dome Mines Ltd. ..	1,000	....	+1,000
Inter. Nickel	2,500	....	+2,500
Lake Shore Mines ..	600	....	+600
McIntyre Porcupine	700	....	+700

Current Chatter from Manitoba

From Our Own Correspondent

WINNIPEG. — New possibilities have been opened up on the Rice Lake Gold Mines' property at Rice Lake, by the discovery of a new break 400 ft. west of the Independence vein, on which considerable drilling was done. The ore shoot on this Independence vein has been delimited for about 100 ft. in length but may have faulted, the drilling not having shown commercial tonnage.

During the present season, however, a crew has been kept constantly at work and two prospectors under the direction of James Baskie.

This work has resulted in the discovery of several ore occurrences, parallel to the Independence vein, some of which, like the one found 400 ft. to the west, are of interest. This vein has been traced for some distance to where it dips into swampy and low lying ground.

The crew is being maintained doing surface work on these new finds while the geological and prospecting work is also being continued.

* * *

Surveys Oil Areas

Dr. D. F. MacDonald, associate professor of Geology at St. Francis-Xavier University, Antigonish, N.B., returned to his professional duties on September 1. During the summer he completed a geological survey for the Petroleum Engineering Co. in Manitoba and Saskatchewan. He visited all the known oil and gas localities in Manitoba and in addition several districts which have not yet been tested but on which reports have now been made available to Petroleum Engineering.

Mr. MacDonald has been retained to act as consulting engineer for the company and a programme of development work is now being planned in several possible fields in accordance with his advice.

In the Kakwa district which lies 25 or 30 miles south of Hudson Bay Junction, Amalgamated Oils is now starting its No. 6 hole and it is anticipated that a number of other test holes will be necessary before the area can be properly geologized as to structure.

* * *

Good News From Montana

S. Hart Green, K.C., and a number of other Winnipeggers, who have been financing the drilling of a well at West Butte, Montana, have received the information that the well has come in with 12,000,000 cubic ft. of gas daily at 600 pounds pressure. The information is looked upon as important because it means the discovery of a new commercial gas field.

* * *

Gas Project

A recent interesting visitor to Winnipeg was Louis Sachs, secretary of the corporation handling the $60 million development by which gas from the Montana fields will be conducted through pipe lines to the Iron Range district lying between Winnipeg and Duluth.

This work partially comes under the Public Works Administrator and is considered of being of great importance to Western Canada. Major G. G. Howard, Winnipeg, is consulting engineer on a portion of the project, having had extensive experience in the Montana gas and oil fields.

SMELTERS PLAN SINK NO. 2 SHAFT AT BEAVERLODGE

Fish Diet Replaced By Greater Variety in New Area

From Our Own Correspondent

REGINA.—Reports from Goldfields, the new name for Beaverlodge, Lake Athabaska, reveal that the Consolidated Mining and Smelting, which has made excellent progress with its number one shaft on its mineral claims on the northern shore of Lake Athabaska intends to sink a Number 2 shaft, approximately 1,200 yards northeast of Number one. This shaft would be located on the far side of two narrow lakes, one of which borders the area where Number one shaft is situated.

No information is obtainable with respect to work now under way in the original shaft, but it is understood work is progressing to the satisfaction of engineers on the ground.

Despite the handicap earlier in the summer, when all freight was tied up by floods and washouts on the Northern Alberta railway, transportation of such freight has practically caught up with itself. Various companies whose men were on the verge of a fish diet are now consuming a more varied supply of food. Transportation of machinery is proceeding satisfactorily. Camps are now settling down for the winter and personnel to come out for the winter will be leaving shortly. The entire community now numbers more than 1,000 souls and as there is little level ground in the townsite of Goldfields, or elsewhere, the laying out of the townsite has been no easy matter.

The number of claims actually recorded at the Saskatchewan Mines Branch for the rapidly developing Athabaska gold-pitch blende fields now number slightly over the 1,000 mark. In addition, unrecorded claims are estimated to run in several thousands.

Reports from this field indicate that claims are now staked along the lakeshore for a distance of close to 150 miles east and west of the original strike at Beaver Lodge Lake.

Recently new claims were filed in two new locations in this general area; at Neely Lake 12 miles north of Beaver Lodge and at Norite Bay at the extreme east end of the Athabaska Lake.

GILMOUR GOLD MINES TUNES UP NEW MILL

Mining Revival in S. E. Ontario Takes Tangible Form

The current revival of interest in mining in south eastern Ontario took tangible form recently when the 100-ton mill unit at Gilmour Gold Mines turned over for the first time with satisfactory results, according to A. A. Kenniger, secretary-treasurer.

A test run-of-mine grade ore is planned for early in September. At the present time low grade and waste rock are being fed to the mill.

The company plans to recover the gold by amalgamating concentrates on a Denver jig and two Plat-O tables with an anticipated recovery of around 85 per cent. It is the intention in the future to add a small cyanide unit to treat the gold lost in these tailings.

The company estimates that in addition to dump ore of 8,000 tons with an average value of $8 per ton, with gold at $20.67, a year's supply of stope ore has been indicated on the first level. Average mine width, according to the company's engineer, R. J. Farquharson, is from 3½ to 4 ft., with average values of .5 oz. gold per ton. Three underground shifts are now blocking out ore from veins showing.

Thompson-Cadillac Mines To Close Books Sept. 30

The transfer books of Thompson-Cadillac Mines Ltd. are to be closed Sept. 30, according to an official announcement. Shareholders of the company have accordingly been asked to surrender their certificates, endorsed in blank, to the Eastern Trust Co., Montreal, in order that the shares of the new company, Thompson - Cadillac Mining Corp., may be transferred to their names.

Thompson-Cadillac Mines was placed in voluntary bankruptcy last November when it was disclosed that there was no ore available for milling purposes. Following an investigation by the Ontario Securities Commission it was decided to reorganize the company, a syndicate agreeing to provide funds for development. Thompson-Cadillac Mines shareholders are to receive one share in the new company, Thompson-Cadillac Mining Corp., for each five old shares held.

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Sorting the Mines, 2.

An Impartial Analysis of Listed Stocks from A to Z

Ignorance of the stock market is no excuse.

Today, the mining market presents a fine hodge-podge of opportunities and pitfalls. It is necessary now, more than ever before, that the investor or speculator should attack the market with knowledge.

In an effort to give its readers a vest pocket cross-section of the mining market The Financial Post is publishing a series of brief analyses on every mining company listed on Canadian exchanges, in alphabetical order. Following is the second in the series.

Algold Mines

The public was first asked to participate in this gold mining venture early this year, although stock in the predecessor company, New Goudreau Gold Mines was widely held.

The property now ranks as the most advanced development in the Goudreau field, yet still has a long way to go before the ore picture is at all clear.

Although the company has dewatered the old workings to the 400-ft. level, the only tangible estimate of ore reserves is that above the 200-ft. level, where, it is stated, about 50,000 tons are indicated, of fairly high-grade stuff.

In an attempt to clarify this picture, the company now plans to bulk sample the ore from the 200-ft. level. It is well equipped to do this, having, all ready for operation, a small Straub mill and a 50-ton ball mill. Either of these units would be suitable for bulk sampling, and the company has not yet decided which method to use. It is apparent, however, that if the larger unit, the 50-ton ball mill, is used, the company might obtain some much needed revenue to assist with further development work.

Minewise, while some good grade ore has allegedly been struck, the quantitative element makes results, on the whole somewhat inconclusive.

In other words, despite a considerable amount of work, the property is still no more than a speculation, a classification with which the management would doubtless be the first to agree.

Algold has a comparatively low capitalization, 2,500,000 shares, no par value. When the company's stock was listed in April of this year, there were over 2 million shares outstanding. Of the stock remaining in the treasury, 400,000 shares are under option. A total of 300,000 shares, under this option, should have been taken up by Aug. 1, at 25 cents, 30 cents and 35 cents per share. Recent reports to the Toronto stock exchange, however, indicate that 45,000 shares under this option have still to be taken up. An extension of time until Sept. 30 has been granted.

Price Range of Stock

1935	High	Low	Last
Common	$0.57 (April)	0.40 (April)	0.40 (Sept. 3)

Algoma Mining & Finance

Here is an exploration company with, at the present time, no strikes to its credit.

The company has done work on several properties in widely separated parts of Canada, none of which have proved to be the long awaited pot of gold. Most recent of these ventures is the property of White Horse Gold Mines, in the Little Long Lac area of Ontario. The Algoma has taken an option on 1,100,000 shares of White Horse, an option which, if exercised in full, would give it control.

Apart from a few such ventures, however, the company appears to be adopting a waiting policy. In the meantime there is little activity in the stock, and no reason at time of writing to expect any.

Algoma Mining & Finance has an authorized capitalization of 2 million shares, no par value, of which about 2,750,000 are pigeon-holed in the public's escritoires.

Price Range of Stock

1935	High	Low	Last
Common	$0.81 (March)	0.3 (April)	0.31 (Sept. 7)

Anglo Huronian Ltd.

Anglo-Huronian Ltd. rose, like a Phoenix, from the ashes of several former gold and silver producers, notably the Huronian Mining & Finance Co., Vipond Consolidated Mines, and Keeley Silver Mines.

Since the merger of these companies in 1933, Anglo-Huronian, with the aid of shrewd management, has steadily risen in the ranks of holding companies until today it is a dividend payer, and had, as at July 31, 1934, a working capital position of over $4.9 millions

At the present time, more than half the company's earnings come from its investments, in which field the company has had more than ordinary success.

While the annual report for the fiscal year ended July 31, 1935, is not expected to be available until the first week in October, it is understood that the chief investments of the company are in McWatters Gold Mines, healthy young Quebec producer, Prospectors Airways, Minto Gold Mines and others. In addition the company has several subsidiaries, of lesser importance. The only producing subsidiary at the present time is the old Vipond property, which, in the second quarter of 1935 produced gold to the value of $113,089. The reserves at this property are known to be rapidly waning, however, and operations are on a decreasing scale.

Last December, Anglo-Huronian paid its first dividend of 40 cents per share. It appears as if the company will have no difficulty in meeting a similar payment this year. With current and liquid assets amounting to nearly $4 per issued share, this company must ungrudgingly be placed among the best type of Canadian holding companies.

Price Range of Stock

	High	Low	Last
1934			
Common	$4.51 (June)	$2.00 (Jan.)	$3.90 (Dec. 31)
1935			
Common	$4.40 (May)	3.75 (March)	$4 (Sept. 7)

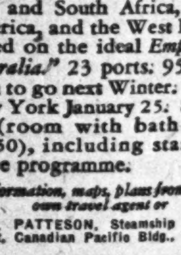
Flin Flon Gold Mining In Ore on 125-ft. Level

Flin Flon Gold Mining Syndicate, Ltd., developing a property at Douglas Lake, 3½ miles south of Flin Flon, has completed, as at August 31, 481 ft. of drifting on the 125 ft. level, The Post is informed. The faces both ways from the shaft are in ore and assays are reported to run from .30 oz. in gold to 1.84 oz.

Although not indicated by diamond drilling, an ore body has been exposed of minable width and grade. After exploring this body for another month, the company plans to deepen the shaft in order to open up the 250 ft. level. In the meantime, a cross-cut will be driven west about 20 ft. to explore a parallel vein to the No. 1 ore shoot.

Winnipeg officials advise that the necessary finances have been completed to carry out this underground programme.

"I SAW CARGOES OF IVORY AT ZANZIBAR"



"I saw whirling dervishes, war dances, and native brides : : : explored the Mediterranean, East and South Africa, South America, and the West Indies. Sailed on the ideal *Empress of Australia*." 23 ports. 95 days. Plan to go next Winter. From New York January 25. $1350 up (room with bath from $2350), including standard shore programme.

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SIGMA MINE SHAFT AT 350-FT. DEPTH ORE RESULTS GOOD

No Change in Read-Authier Assets—Nu Sigma Disappoints

While no material changes have taken place in the assets of Read-Authier Mine, Ltd., since the annual report for 1934 was issued, very definite progress has been made at the properties of Lamaque Gold Mines, Sigma Mines and Nu Sigma Gold Syndicate, in which the company is interested.

Sigma Mines

In presenting the report Hector Authier, president, states the conclusion drawn by the Board of Directors in the last interim report that Sigma Mines has all the earmarks of a producer has been fully justified as a result of development at the property during the last few months.

Since the date of the last report work at Sigma Mines has continued on the 225-ft. level with the objective in view of proving the indicated zones by development thereof.

Toward the end of June the sinking of a three-compartment shaft was commenced, the objective being set at 525 ft., with two new levels to be established at 350 and 475 ft. At the end of August the shaft was nearing 350 ft. This shaft will be used as a production shaft at such time as production is decided upon.

Some excellent widths of good grade ore below the second level to a depth of 600 ft. have been indicated by diamond drilling. Exploration and development thereof will proceed as soon as the 350 and 475 ft. levels are opened up.

The Sigma progress report as at June 30, 1935, shows the 219 ore zone developed west of 214 crosscut over a length of 320 ft., its true width established as 20 ft. dipping north and carrying average values as determined by channel sampling of 7.29 dwts., with mucks averaging 8.13 dwts. No development of 219 ore zone has been continued east of 214 crosscut where channel sampling showed 4.84 dwts. over a width of 30 ft.

Nu Sigma Gold Syndicate

Diamond drilling results at Nu Sigma Gold Syndicate's property to the northeast of Sigma Mines has been inconclusive and unsatisfactory. In view of this, Mr. Authier states, directors have been unable to draw any conclusions respecting the potentialities of this property. Diamond drilling continues and it is the intention of the company to pursue the exploration of Nu Sigma without interruption.

Feldspar porphyries, diorite and granodiorite have been intersected and although enough information has not been acquired to allow the expressions of an opinion concerning the general geological conditions obtaining at the property, the fact that the known intrusives are similar to those at Lamaque and Sigma causes the property to take on an interesting aspect, the report states.

Mining Reports

Camp McKinney Gold

Camp McKinney Gold Hill Mining Co., engaged in developing a property near Rock Creek, British Columbia, reports a deficit of $2,356 in working capital account as at July 31 last. Current assets total $149 while current liabilities amount to $2,504. The latter includes unsecured loans of $1,065, commission account of $530, mine wages payable of $361 and accounts payable of $548.

Development account at the end of July totalled $10,119. Of this amount, $3,689 was expended in the year ended July 31, 1935.

The company has an authorized capitalization of three million shares of which one million have been issued for properties and 65,353 for cash.

The company, which is still in the raw prospect stage, reports that development results have been favorable. A shaft is down to a depth of 60 ft. and about 800 ft. of underground work has been completed, consisting mostly of tunnelling and crosscutting.

Porcupine Gold Reef Sells Whitney Twp. Properties

Shareholders of Porcupine Gold Reef Mining Co. at a special general meeting voted to dispose of its properties in Whitney township to interests headed by T. Marston.

Under the terms of the agreement Porcupine Gold Reef will receive $2,000 in cash and 450,000 shares in a new 3 million share company to be formed to develop the property. Present shareholders of Porcupine Gold Reef will receive three new shares for each 20 shares now held, the new shares to be pooled.

The meeting also approved a resolution providing for the winding up of the company and the surrender of its charter as soon as present obligations have been liquidated. The $2,000 in cash received under the agreement of sale will more than take care of all debts. All remaining assets will be divided among shareholders.

Mr. Marston told the meeting that the new company plans to spend $10,000 immediately to prove the merits of the property before any public offering of stock is made. The new company plans to take in other groups of claims, and when all plans have been completed 1,200,000 shares of vendor's stock will have been issued, leaving 1,800,000 shares for financing.

Sampling Encouraging Young Shannon Reports

Reporting on the season's operations at Young-Shannon Gold Mines, Cyril T. Young states that channel samplings across 2½ ft. from the 130 ft. open cut recently completed, yields $15 per ton ore. Diamond drilling with 100 ft. spacings along the vein have since increased this to an $18 average.

At a depth of 10 ft. at the logical shaft site, a channel sample of the vein yielded $35.70 across 2½ ft., and a channel across 1½ ft. yielded $11.20.

Famed Engineer Passes

LT.-COL. H. H. YUILL

One of the most outstanding engineers along the Pacific coast, who died suddenly in Vancouver recently. After being connected with mines in all quarters of the globe, the late Col. Yuill had, of recent years, been prominent in the affairs of several British Columbia mining companies.

Sol D'Or Gold Mines—Production was started by this company in the Grace Lake section of Ontario with a new 50-ton mill. Ore for millfeed at present is being drawn from the east end of No. 3 vein, according to William T. May, consulting engineer. Millfeed is to be drawn from development ore and from high-grade on surface. Progress to date has been satisfactory with the exploration programme recently mapped out well under way.

LEBEL ORO RATIFIES CHANGE IN CAPITAL

Shareholders Receive One For Three—New Finances Arranged

Shareholders of Lebel Oro Mines at a special general meeting recently authorized a reduction and then an increase in capitalization in order that arrangements might be made to finance the company's property at Long Lake to production.

Shareholders voted to reduce the capital from 3 million shares to 1 million shares of $1 par, each shareholder to receive one new share for each three now held. Following the reduction the capitalization is to be increased by the creation of 2 million shares of $1 par which will be available for financing purposes.

B. O. Jones, president of the company, who has been largely responsible for the raising of funds for past development work and the installation of the 200-ton mill at the property, is to be granted options on a large portion of this stock.

In consideration of his undertaking to purchase not less than 170,000 shares at $25,500, Mr. Jones is granted an option to purchase 1,000,000 shares of the new stock at 15 cents per share within a period not exceeding 18 months, and an option to purchase 500,000 shares at 25 cents per share within a period not exceeding two years.

Offer Rights to Shareholders

In order that present shareholders may have the opportunity to purchase the new stock, the company reserves the right to offer to shareholders of the reduced outstanding capital stock within 30 days one share of the new stock at 15 cents per share for each share held. Each shareholder is also given the right to purchase during the life of the option given to Mr. Jones one-half share at 25 cents per share for each share held.

Mr. Jones states that funds raised under these financial arrangements should be sufficient to purchase additional grinding and classifying equipment and put the mill in shape for the retreatment of tailings and the milling of mine ore. At the present time a small crew is on the property engaged in exploratory work and diamond drilling.

McIntyre Still Likes Mud Lake Properties

The group of properties held in the Mud Lake section of Quebec still looks good to McIntyre Porcupine Mines, an official of that company told The Financial Post recently. The shaft has now reached a depth of 350 ft. The objective announced when shaft-sinking started was 360 ft. Lateral work is now under way on three levels.

Meanwhile, McIntyre is drilling a section about 4,000 ft. south of the shaft, where a promising showing was uncovered giving a length of at least 450 ft., widths of 15 ft. and a grade average of .5 oz. gold per ton.

Alberta Petroleum Output

Petroleum production in Alberta during July totalled 102,115 bbls. bringing the total production of the various fields for the first seven months of the year up to 729,895 bbls. This compares with 751,218 barrels for the same period of 1934.

Mining Stock Quotations

Week Ending September 4.

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 31 (or last)	High for week	Low for week	Close Sept. 4
1	.74	.38	Afton	116,900	.72½	.76	.70	.75
No	.11	.04	Aldermac	4,625	.06	.07½	.07	.07½
1	.02¾	.01	Alexandria	11,500	.01	.01	.01	.01
No	.57	.40	Algold	500	.42	.40	.40	.40
No	.08¾	.02½	Algoma	1,000	.03½	.03½	.03½	.03½
No	4.50	3.70	Anglo-Huronian	716	4.00	4.01	3.93	4.00
No	.04	.01½	Arno	1,000	.02½	.01¾	.01¾	.01¾
1	.32	.09	Ashley	1,600	.10	.06½	.06¾	.06½
1	.08	.02½	Astoria Rouyn	8,750	.03½	.03¾	.03¾	.03½
1	.14	.03	Bagamac	22,100	.04¾	.04¾	.04¾	.04¾
1	.08	.02½	Barry Hollinger	41,250	.04¾	.05½	.04	.05½
1	.94	.23	Base Metals	124,250	.44	.52	.23	.33
1	1.06	.14	B.E.A.R.	305,600	.83	.85	.35	.42
No	2.16	1.27	Beattie Gold	766	1.55	1.53	1.50	1.53
1	.75	.30	Big Missouri	40,000	.53	.55	.38	.44
1	.38	.18	Bobjo	100,460	.18½	.29	.18	.27
No	12.50	4.30	Bralorne	1,721	4.65	4.85	4.45	4.50
1	.61	.20	Brasil Gold	7,950	.45	.45	.44	.45
1	.03	.01¾	Brett Trethewey	5,000	.02	.02½	.01¾	.02½
50c.	.24	.07	Bridge River Ex.	2,105	.07½	.10	.09	.10
1	.03	.01	Brownlee	1,000	.01¾	.01½	.01½	.01½
1	3.50	2.40	Buffalo Ankerite	3,750	2.50	2.65	2.55	2.60
No	.03½	.01	Buffalo Can.	......	.01½	.....	.....	.....
5	38.15	33.00	Bulolo Gold	310	33.00	34.00	34.00	34.00
No	.07¾	.03	Bunker Hill	17,500	.07	.08½	.06	.08
1	.03¾	.01	Can. Kirkland	19,600	.01½	.01¾	.01	.01¾
No	.75	.54	Can. Malartic	17,981	.60	.63½	.60	.63½
1	1.50	.95	Cariboo Gold	2,050	1.07	1.20	1.10	1.12
1	.05¾	.02	Cartier Malartic	......	.02½	.....	.....	.....
1	1.34	.55	Castle Trethewey	20,695	.88	.88	.85	.85
1	.07½	.02½	Cen. Manitoba	2,500	.03½	.04½	.03½	.04½
1	1.83	1.12	Cen. Patricia	63,025	1.56	1.83	1.60	1.75
No	.27	.08	Chibougamau Pros.	49,450	.15	.17½	.13½	.17½
No	.06¾	.03	Church M. & Mill	500	.05	.04¾	.04¾	.04¾
No	.08	.02	Clericy	13,750	.04	.04¾	.03¾	.04¾
5	3.25	1.50	Coast Copper	......	2.75	.....	.....	.....
1	.08	.01½	Cobalt Contact	2,000	.02	.01¾	.01¾	.01¾
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	2.20	Coniagas	200	2.50	2.50	2.50	2.50
No	2.60	1.35	Coniaurum	3,155	1.70	1.72	1.62	1.70
25	184.75	125.50	Cons. Smelters	1,023	168.50	173.00	166.00	170.00
No	44.00	34.50	Dome Mines	965	37.75	39.25	38.25	38.60
1	.10	.04	Dom. Explorers	1,500	.05	.05	.04	.04½
1	.17½	.06½	Duparquet	31,500	.08¾	.10½	.06½	.08
1	2.93	1.02	Eldorado	8,720	1.34	1.38	1.30	1.32
No	4.52	3.25	Falconbridge	4,345	4.20	4.20	4.10	4.15
1	.04½	.02	Federal	500	.02½	.02½	.02½	.02½
No	.16½	.05	Francoeur Gold	4,000	.09½	.07½	.06	.07½
1	.40	.20	Franklin Gold	30,300	.30	.28	.20	.20½
1	.45	.09	Gabrielle	2,100	.15	.18	.15	.18
No	.03½	.01	Gilbec	3,500	.01	.01½	.01½	.01½
No	2.24	1.24	God's Lake	50,560	1.46	1.65	1.45	1.63
1	.20	.11	Goldale	4,300	.11½	.15	.12	.13
50c.	.46	.25	Gold Belt	500	.25	.26½	.26½	.26½
10	.19	.10	Goldfield	1,050	.12	.12	.12	.12
1	.15	.04	Goodfish	3,050	.07½	.08	.07	.07½
1	.07	.02	Graham Bosquet	500	.02¾	.03	.03	.03
1	.40	.17	Granada Gold	35,692	.19½	.30	.19	.30
No	.12	.05½	Grandora	1,500	.06	.06	.05½	.06
1	.45	.17	Greene Stabell	5,400	.20	.21	.18	.21
1	.05	.02½	Groselle	9,000	.02½	.02½	.02½	.02½
1	.10	.04¾	Grull Wihksne	......	.04¾	.....	.....	.....
1	.97	.48	Gunnar Gold	19,800	.72	.72	.67	.68
1	.08½	.02	Halcrow Swayze	......	.02	.....	.....	.....
1	.10	.04	Harker	9,100	.04¾	.05½	.05	.05
5	20.25	12.55	Hollinger	15,081	12.75	14.00	12.60	14.00
1	1.10	.65	Howey Gold	10,650	.70	.72	.68	.68
No	16.00	11.50	Hudson Bay	880	15.25	16.00	13.75	15.50
1	15.35	11.95	Inter. Mining	......	12.50	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.25	22.25	Int. Nickel	13,870	29.00	29.40	28.85	29.25
100	130.75	125.00	Do., pref.	......	125.00	.....	.....	.....
1	.20	.11	J. M. Cons. Gold	81,900	.11	.14½	.11	.14
1	.75	.45	Kerr Lake	625	.52½	.52½	.50	.50
1	.31	.20	Kirk. Hud. Bay	200	.30	.29	.29	.29
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.62	.33¾	Kirkland Lake	32,125	.37	.42	.38	.38½
1	.33½	.12½	Kirk. Townsite	1,200	.14½	.15	.14½	.14½
No	.07	.02½	Lake Maron	15,300	.02¾	.03½	.02½	.03
1	58.00	47.25	Lake Shore	1,392	48.50	50.40	48.00	49.75
1	.08	.02¾	Lamaque Contact	5,700	.02½	.02¾	.02	.02½
1	.09½	.03	Lebel Oro	148,800	.03¾	.04½	.03	.04
1	.08	.02¾	Lee Gold	23,000	.03	.03½	.03	.03½
No	7.25	4.25	Little Long Lac	24,997	4.75	5.50	4.75	5.30
1	2.75	1.31	Macassa	143,482	2.04	2.52	2.05	2.30
1	.03	.00¾	Malrobic	11,800	.00¾	.02	.01½	.01¾
No	.10	.05¾	Mandy	1,000	.10	.09	.08	.08¾
No	.12½	.03	Man. & Eastern	57,700	.05¾	.07¾	.05½	.07
1	.14	.03	Maple Leaf	20,500	.03¾	.03¾	.03	.03¾
5	46.00	36.25	McIntyre	875	37.50	39.25	37.50	39.00
1	1.45	1.06	McKenzie R.L.	75,550	1.15	1.25	1.15	1.18
1	.70	.40	McKinley	75	.40	.40	.40	.40
1	.46½	.07½	McMillan	14,500	.08½	.09½	.08½	.09
No	2.15	.45	McWatters	14,765	1.52	1.65	1.48	1.57
1	.40	.10	McVittie	16,450	.13	.15½	.12½	.15½
No	1.50	.85	Mining Corp.	2,900	1.15	1.25	1.18	1.25
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	7,000	.02	.02	.02	.02
1	.16	.09	Moneta	100	.12	.09½	.09½	.09½
1	.77	.49	Morris Kirk.	36,200	.69	.77	.69	.77
1	.01¾	.00½	Murphy	25,000	.00½	.01½	.01¾	.01¾
No	.04	.01¾	Newbec	117,000	.02	.02	.01¾	.01¾
1	.04½	.00¾	Night-Hawk Penn.	......	.01	.....	.....	.....
5	2.95	2.10	Nipissing	930	2.20	2.25	2.16	2.21
No	43.00	31.00	Noranda	5,776	39.00	39.85	38.40	38.85
No	.31	.16	Nor. Canada	500	.24	.19½	.19½	.19½
1	.75	.30	O'Brien	3,000	.37	.38	.33	.33
1	.10	.04	Osisko	......	.05	.....	.....	.....
1	.32	.18	Parkhill	8,600	.19½	.21	.19	.21
1	.04½	.01	Pawnee Kirk.	2,000	.02¾	.02¾	.02¾	.02½
1	.30½	.16	Paymaster	45,093	.21¾	.28¾	.21½	.24
1	.84	.40	Pend Oreille	4,400	.60½	.65	.60	...
1	.83	.55	Perron Gold	4,900	.60	.63	.55	.60
1	.09½	.01½	Peterson Cobalt	16,500	.03¾	.03¾	.03¾	.03½
1	2.96	2.10	Pickle Crow	34,160	2.37	2.53	2.37	2.45
1	12.25	9.00	Pioneer Gold B.C.	1,915	9.75	10.00	9.75	9.80
1	.06	.03	Porcupine Crown	45,856	.05	.06	.04½	.04½
1	.01¾	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.35	Premier Gold	14,010	1.66	1.75	1.68	1.68
1	.02½	.01	Preston E. Dome	17,000	.01¾	.02	.01½	.01¾
No	3.05	1.25	Prospectors Air's.	1,660	2.50	2.80	2.50	2.75
1	.80	.09¾	Quebec Gold	4,900	.55	.55	.53	.53
No	.15	.02½	Quemont	......	.03	.....	.....	.....
1	.98	.55	Read Authier	10,814	.80	.90	.79	.85
No	.41	.25½	Red Lake	53,450	.29	.34	.29	.33½
1	1.67	.81	Reno Gold	20,800	.87	.96	.85	.93
1	.00¾	.00¾	Ribago	......	.00¾	.....	.....	.....
1	.02¾	.00¾	Ritchie	2,000	.01½	.01½	.01¾	.01½
1	.09¾	.02	Robb Montbray	394,230	.09¾	.10¾	.06¾	.07
1	.10½	.04½	Roche Long Lac	5,000	.04½	.05	.03¾	.05
1	5.20	3.05	San Antonio	8,249	3.15	3.30	3.05	3.30
50c.	1.25	.54	Sheep Creek	2,500	.85	.88	.85	.85
1	1.00	.45	Sherritt Gordon	22,916	.73	.77	.72	.75
1	3.29	2.49	Siscoe	20,450	2.57	2.65	2.53	2.60
1	4.60	3.30	South Amer. Gold	......	3.80	.....	.....	.....
No	.15	.03	South Tiblemont	380,560	.04½	.06	.03	.03
No	.32	.13½	Stadacona	107,405	.22½	.25	.21	.23½
1	.39	.14½	St. Anthony	14,560	.18	.24	.18½	.24
No	1.74	1.25	Sudbury Basin	7,655	1.56	1.65	1.55	1.55
1	.11	.05	Sudbury Contact	1,500	.05	.05½	.05	.05
1	.07½	.03	Sudbury Mines	15,106	.05	.04¾	.04	.04¾
1	.89	.35	Sullivan Cons.	33,224	.73	.75	.69	.70
1	2.70	2.00	Sylvanite	11,905	2.30	2.35	2.24	2.32
	.67	.25	Tashota Gold	35,700	.29	.35	.25	.34
1	4.70	3.67	Teck Hughes	12,005	4.00	4.10	3.95	3.97
1	.02½	.00¾	Timiskaming	......	.01	.....	.....	.....
1	1.45	1.00	Toburn Gold	2,060	1.04	1.11	1.00	1.10
1	.30½	.10	Towagmac	500	.17	.16	.16	.16
1	.30	.10	Treadwell	......	.20	.....	.....	.....
No	.01½	.00½	Vacuum Gas	......	.00½	.....	.....	.....
No	.32	.02	Vanson Man.	......	.03	.....	.....	.....
No	1.07	.80	Ventures	59,350	.99	1.08	1.00	1.01
No	.90	.45	Waite Amulet	647	.68	.70	.65	.70
50c.	.24½	.07	Wayside	43,210	.14½	.16½	.14½	.16
No	.10½	.10½	White Eagle	32,300	.02¾	.02¾	.02	.02
1	.07	.03	Whitney Coughlan	1,500	.04	.03½	.03½	.03½
1	.07¾	.03½	Wood Kirkland	4,500	.05½	.06½	.06	.06½
No	9.90	7.20	Wright-Hargreaves	4,200	7.65	8.00	7.85	7.90
No	.85	.28	Ymir Yankee	1,700	.31	.31	.30	.30
			OIL STOCKS					
No	.26	.17½	Acme Gas & Oil	6,200	.18	.19	.18	.18½
1	1.06	.50	Ajax	3,100	.51	.50	.49½	.49½
No	.85	.49	Calgary & Ed.	......	.60	.....	.....	.....
1	.08	.04	Calmont	1,600	.04½	.05	.05	.05
No	.05½	.03½	Common Pete	......	.04	.....	.....	.....
No	.38	.18	Dalhousie	800	.22	.20½	.20	.20½
No	.12	.05	East Crest	1,500	.07	.07	.05	.07
No	.21	.04	Erie Gas	13,200	.11	.14½	.11½	.12½
No	.35	.08	Foothills	......	.30	.....	.....	.....
No	.80	.50	Home	3,075	.50	.50½	.45	.50½
1	.14	.05	Homestead O. & G.	......	.05½	.....	.....	.....
No	.13½	.07	Lowery	......	.07½	.....	.....	.....
No	.27	.16	Merland	500	.16	.17	.17	.17
1	.28	.18	Model	7,350	.22	.29½	.24	.28
5	.17	.08	Nordon	10,300	.13	.13	.11	.11
No	.07	.03¾	Oil Selections	6,000	.04	.04½	.03¾	.04½
No	.06½	.03	Olga Gas & Oil	21,700	.03¾	.04	.03¾	.03¾
1	.65	.40	Petrol Oil & Gas	......	.60	.....	.....	.....
No	27.00	18.00	Royalite	1,483	20.50	20.50	20.00	20.12
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
No	.95	.55	Texas Can.	6,700	.78	.80	.75	.75

VANCOUVER STOCK EXCHANGE
(Transactions for Week to September 5)

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 28 (or last)	High for week	Low for week	Close Sept. 5
1	.02½	.01½	Alexandria	......	.00¾	.....	.....	.....
No	.16	.00¾	Atlin Pacific	......	.06¾	.....	.....	.....
25c	.01¾	.00¾	Bayview	......	.00¾	.....	.....	.....
20c	.10½	.04¾	Beaver Silver	11,000	.04	.04	.03½	.04
25c	.02½	.01	Bluebird	2,000	.01	.01½	.01½	.01½
No	12.25	4.40	Bralorne	4,228	4.70	4.75	4.50	4.70
1	.08½	.03	Bridge River Cons	4,900	.03	.03½	.03½	.03½
50c	.24	.07½	Bridge River Exp	5,700	.08	.09	.08	.09
1	.55	.14	B.C. Nickel	25,950	.20	.19	.14	.14
1	1.68	.90	B.C. Silver	600	1.40	1.40	1.40	1.40
10	43.00	43.00	Bunker H. Sullivan	......	43.00	.....	.....	.....
50c	.10	.03	Canadian Rand	......	.03	.....	.....	.....
1	1.50	.95	Cariboo Gold	14,400	1.02	1.19	1.12	1.12
No	14.00	12.50	Coast Breweries	1,073	14.00	14.75	14.25	14.35
1	.54	.17	Congress Gold	16,650	.23	.20	.17	.18
1	.09	.03	Cotton Belt	......	.09	.....	.....	.....
25	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.01½	.01	Dalhousie Mines	2,000	.01	.00½	.00½	.00½
No	.95	.23	Dentonia	17,100	.24	.26	.24	.25
No	.06¾	.01	Dictator	1,000	.01	.01	.01	.01
1	.17	.03	Dunwell T.	......	.05½	.....	.....	.....
No	.16½	.01	Fairview Amal.	400	.05	.04	.04	.04
50	.44	.28	Fawn Mining	1,500	.35	.30	.30	.30
1	.13	.05	Federal Gold	2,700	.07½	.07	.07	.07
1	.20	.12	George Copper	......	.16½	.....	.....	.....
50c	.07	.03	George Enterprise	3,600	.05	.05	.04	.05
1	.01	.00½	Georgia River	5,000	.00¾	.00¾	.00¾	.00¾
50c	.06¾	.01	Glacier Creek	......	.01	.....	.....	.....
1	.42	.15	Golconda	7,000	.20	.18	.17	.17
50c	.45½	.24	Gold Belt	2,000	.26	.26	.25	.25
50c	.19	.07	Gold Mountain	5,000	.10	.09	.08	.08
50c	.04¾	.01½	Grandview	1,000	.02½	.02½	.02½	.02½
No	.24	.01½	Grange Mines	10,000	.01¾	.01¾	.01½	.01½
1	.10	.04½	Grull Wihksne	4,400	.05½	.06	.05	.06
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c	.26	.18	Hedley Amal.	6,500	.19	.19	.19	.19
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.04	Home Gold	20,100	.03½	.03½	.03½	.03½
1	.01¾	.00¾	Independence	20,000	.00¾	.01	.01	.01
1	.01	.01	Indian Mines	3,500	.01	.01	.01	.01
1	.20	.17	Inter'tl Coal	3,900	.20	.21	.20	.20
50	1.00	.68	Island Mountain	13,295	1.05	1.07	1.01	1.01
50c	.72	.33	Kootenay Belle	3,500	.33	.31	.30	.31
25	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01¾	.00½	Lakeview	......	.00½	.....	.....	.....
10c	.04½	.02	Lucky Jim	1,000	.02	.02	.02	.02
No	.41	.07	Mak Siccar	1,000	.10	.10	.10	.10
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	......	.20	.....	.....	.....
10c	.19	.03½	Meridian Min.	3,200	.04	.04	.04	.04
No	.24½	.06	Minto Mines	12,500	.06	.05½	.05	.05½
50c	.12½	.03½	Morning Star	17,500	.04	.04½	.04	.04
1	.02	.01	Morton Woolsey	......	.01	.....	.....	.....
50c	.06½	.03	National Silver	18,000	.03	.03	.03	.03
50c	.17	.05	Nicola	6,600	.08½	.09½	.08	.09½
50c	.16	.05½	Noble Five	19,100	.05½	.06	.05½	.06
No	.09½	.02¾	Pilot Gold	6,000	.02½	.02	.01½	.01½
1	12.50	9.10	Pioneer Gold	160	9.90	9.95	9.60	9.60
50c	.15	.05¾	Porter Idaho	4,500	.05½	.05½	.05	.05½
No	.01	.00¾	Premier Border	5,000	.00¾	.00½	.00½	.00¾
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
..	.17	.06	Quesnel Quartz	......	.06	.....	.....	.....
No	.18	.01	Reeves McDonald	......	.12	.....	.....	.....
1	.39	.25	Relief Arlington	4,000	.32	.33	.32	.33
1	1.62	.81	Reno Gold	15,550	.90	.96	.88	.95
1	.04¾	.02	Reward Mining	100	.02½	.02	.02	.02
1	.01¾	.00¾	Rufus Argenta	1,000	.01	.01	.01	.01
1	.05¾	.00½	Ruth Hope	......	.00½	.....	.....	.....
1	.62	.18	Sally Mines	500	.24	.24	.24	.24
50c	.18	.09	Salmon Gold	1,300	.09	.10	.09	.09
50	1.18	.55	Sheep Creek	19,500	.86	.86	.83	.83
1	.05	.02	Silverado	......	.02	.....	.....	.....
25c	.02½	.00½	Silvercrest	14,000	.00¾	.00¾	.00¾	.00¾
20c	.12	.01	Silversmith	13,000	.01½	.01½	.01½	.01½
50c	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
1	.75	.60	Standard Silver	400	.64	.61	.60	.60
10	23.75	11.45	Sunshine	......	22.50	.....	.....	.....
No	.32	.15	Taylor Bridge	2,700	.15	.15	.15	.15
1	.20½	.12	Taylor Windfall	200	.14	.14	.14	.14
5	.35	.20	Toric	......	.20	.....	.....	.....
50c	.10	.03	United Empire	......	.04	.....	.....	.....
No	.61	.13	Vidette Gold	5,800	.22	.28	.23	.28
No	.06	.01	Viking Gold	......	.01	.....	.....	.....
No	.07½	.02	Waterloo Gold	2,500	.02	.02	.02	.02
25c	.01¾	.00½	Waverley Tangier	7,500	.00½	.00½	.00½	.00½
50c	.21	.07½	Wayside	29,550	.13½	.16	.13½	.16
20c	.04	.01	Wellington	......	.01¾	.....	.....	.....
No	.09½	.02	White Eagle	200	.03	.02	.02	.02
1	.14	.04	Whitewater	5,300	.05	.05	.04½	.04½
	.83	.23	Ymir Yankee Girl	700	.33	.30	.30	.30
			OIL STOCKS					
1	.22	.06¾	Amalgamated	10,000	.08	.06	.05	.05½
	.10½	.05½	Alta. Pacific	1,000	.07	.06	.06	.06
1	.04	.01½	Anaconda	......	.01½	.....	.....	.....
No	.05	.01½	Baltac	......	.02½	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.03	.....	.....	.....
1	.25	.05	Crow's Nest	9,600	.05	.07	.05½	.05½
No	.03½	.01	Devenish	......	.01½	.....	.....	.....
No	.11	.04	Freehold	500	.05	.04	.04	.04
No	.04½	.02	Hargal	1,000	.03	.02	.02	.02
No	.15	.08½	High Sarcee	700	.11½	.12	.11	.11
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.07	Marjon Oil	15,500	.10	.11½	.09½	.11½
No	.05	.02	McD. Segur Ex.	......	.03	.....	.....	.....
1	.48	.35	McLeod	......	.38	.....	.....	.....
No	.14½	.09	Mercury	400	.11	.12	.12	.12
No	.14	.07	Mill City Pete	......	.08	.....	.....	.....
No	.06½	.04	Okalta	......	.03½	.....	.....	.....
No	.10½	.02	Pacalta Oil	3,000	.04	.03	.03	.03
1	1.17	.31	Ranchmen's	5,300	.33	.33	.26	.29
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	......	.20	.....	.....	.....
No	.10	.03½	United	500	.04½	.04½	.04½	.04½
No	.14	.04	Vanalta	2,000	.04½	.04½	.04	.04
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.33
Anglo Huronian†	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	8.00	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew.	92c.	6.41	Nor. Canada†	2c.	.....
Coniagas†	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	7.22
Dome Mines	$2	5.09	Pioneer, B.C.	80c.	8.80
Falconbridge	7½c.	.....	Reno	12+2c.	13.79
Hollinger	65c.+5c.	4.64	Royalite	75c.	.....
Howe Sound	$3	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	7.79
Hudson Bay†	50c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke	1c.	.....	Sunshine	30c.	.....
Inter. Mining	15c.	.....	Sylvanite	20c.	8.58
Int. Nickel c.	80c.	.....	Teck Hughes	40c.	9.80
Kirk. Lake†	3c.	.....	Toburn	8c.	7.69
Lake Shore	2+50c.	4.02	Wright-Har.	40+5c.	5.28
Macassa	5c.	.....			

†Interim. ‡Initial.

Canada's Mineral Output For First Six Months

Jumps 5.2 Per Cent Over Same Period of 1934 — Records Established by Copper, Zinc, Nickel and Platinum Metals

The increasing economic importance of Canada's mining industry is reflected in the mineral production figures for the first six months of 1935 as issued by the Dominion Bureau of Statistics, production in this period being 5.2 per cent higher in value than during the corresponding period of 1934. The total value of mineral production in all divisions of the industry during the first half of the year totalled $138,836,420 as compared with $131,942,180 in the six months ended June 30, 1934.

Increases in the value of output were the rule for the major industrial groups, with the exception of the total for structural materials. Fuels showed an increase of 0.2 per cent and other non-metallics 11.2 per cent.

Metals once again led the parade with an increase of about $6.4 millions, or 6.6 per cent. The total value of metal production was in excess of $100 million. All time high records for the quantity of copper, platinum metals (excepting platinum) zinc, selenium, tellurium and nickel produced in Canada during the first six months of any year were established, and in addition the value of the gold output was the highest ever recorded for any similar period in the history of the Canadian mining industry.

Coal production during the period under review advanced to 6.3 million tons from the total of 6.1 million tons in the first half of 1934. Mines in New Brunswick, Saskatchewan and Alberta reported increased production while Nova Scotia, Manitoba, British Columbia and Yukon operators, on the other hand, reported a falling off in output. Natural gas output was slightly higher and petroleum production lower.

Non-metallics, other than fuels, showed a combined value of $5 million as compared with 4.5 million during the first six months of 1934. Asbestos, the principal product in this group increased from 64,512 tons valued at $2,047,757 in the 1934 period to 81,907 tons valued at $2,777,057 in 1935. This is an increase of 26.9 per cent in quantity and 35.6 per cent in value.

A new departure is the publishing of half yearly figures for structural materials. Previously no figures for the first six months of the year were published, since it was felt that these might be misleading, as the greater part of construction operations in Canada are carried on during the summer months and figures at the end of June would not truly represent half of the yearly total. Monthly statistics are now being collected for cement, clay products and lime, and in order that complete half-yearly production data may be published, figures for stone, gravel and sand have been estimated.

MINERAL PRODUCTION OF CANADA
Six Months Ended June 30

		1935 Quantity	1935 Value $	1934 Quantity	1934 Value $
Metals:					
Gold (standard value)	oz.	1,509,521	31,204,568	1,438,206	29,730,355
Exchange equalization		....	21,779,619	....	20,132,247
Copper	lb.	214,737,093	15,253,360	177,052,390	14,048,672
Lead	lb.	160,288,192	4,160,773	160,551,755	4,137,419
Nickel	lb.	63,963,301	16,071,185	63,315,706	15,016,662
Platinum metals	oz.	39,785	909,812	38,624	756,258
Platinum	oz.	47,575	1,472,139	49,430	1,873,397
Silver	oz.	7,859,490	5,020,430	7,890,440	3,551,093
Zinc	lb.	151,584,839	4,245,286	137,086,919	4,573,219
Other metals		....	795,707	....	609,037
Total metals	$	....	100,822,879	....	94,428,359
Non-Metals:					
Fuels:					
Coal	tons	6,308,405	19,192,150	6,129,899	18,587,551
Natural gas	M. cu. ft.	12,689,935	4,695,774	12,664,528	5,056,636
Peat	tons	82	420	....	....
Petroleum	brls.	705,248	1,674,891	717,347	1,878,341
Total fuels		....	25,563,235	....	25,521,528
Other Non-Metals:					
Asbestos	tons	81,907	2,777,057	64,512	2,047,757
Gypsum	tons	174,970	343,120	158,595	339,016
Salt	tons	163,464	807,159	153,641	993,324
Other non-metals		....	....	....	....
		....	1,144,715	....	1,180,571
Structural Materials:					
Clay products		....	1,044,181	....	1,056,540
Cement	brls.	1,317,744	1,974,215	1,355,360	2,045,000
Lime	tons	192,321	1,409,859	180,376	1,373,000
Stone, sand & gravel	tons	....	2,950,000	....	3,000,000
Total structural materials		....	7,378,255	....	7,474,540
Grand total		....	138,836,420	....	131,942,180

At the Mines

Algold Mines—Reports to the Toronto Stock Exchange that an extension until Sept. 30 has been granted in connection with the balance of 45,000 shares to be taken up at 25 cents; 100,000 shares at 30 cents, and 100,000 shares at 35 cents under the underwriting agreement dated Feb. 25, 1935.

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J-M Consolidated Gold Mines—Reports to The Financial Post that the fire which recently swept the bunkhouse at the company's property at Woman Lake does not affect the operation of the mine, inasmuch as building and equipment were completely covered by insurance. The fire is attributed to a defective stove pipe.

• • •

Macassa Mines—have cut an ore body in the 3,000-ft. crosscut south of the shaft, intersecting a width of 18 ft. of ore, which has been slashed for a length of 30 ft. and has assayed higher grade than mine average, this company officially reports. The ore occurs in the porphyry-syenite formation, but the extent of the ore bodies can only be determined by further development work now in process.

• • •

Maple Leaf Mines—With a total of 400,000 shares having been taken up under the agreement dated Feb. 10, 1933, Maple Leaf Mines reports to the Toronto Stock Exchange that Mid-Canada Exploration Co., the underwriters, is in default. It will be recalled that Mid-Canada Exploration Co. made an assignment in bankruptcy recently.

• • •

McKenzie Red Lake Gold Mines—reports August production between $56,000 and $57,000 from 3,693 tons of ore milled.

• • •

Nicola Mines—The mill on this property which resumed operations in August is now handling between 50 and 60 tons daily from the Enterprise Workings, P. L. Bancroft, president, reports. Advances which the new directors made in order to finance resumption of operations, will be fully paid from the first shipment of concentrates, Mr. Bancroft expects. There are still 1,151,000 shares in the treasury.

• • •

Peterson Cobalt—Reports that the option agreement dated April 4, 1935, has been ended by default after a total of 208,500 shares has been purchased.

• • •

Pickle Crow Gold Mines—August production amounted to $108,000 as compared with $107,279 in July, it is officially reported.

• • •

Pioneer Gold Mines—Gross recovery for August is reported at $271,000, compared with $270,000 in July and $271,000 in June. Expenses remained unchanged at $65,000 leaving net before taxes and depletion and depreciation at $206,000, compared with $205,000 in July.

• • •

Sakoose Gold Mines—Shareholders of this company are informed by Daniel McGrory, secretary, that the stock in Nordic-Sturgeon received for transfer of properties to the latter company is subject to a pooling arrangement for two years, shareholders of Sakoose to receive deposit certificates. When ready for distribution, Sakoose shareholders will receive one share of Nordic-Sturgeon for each 2½ shares of Sakoose held.

• • •

Sudbury Mines—has granted an extension of 60 days with respect to each installment under the option agreement dated Nov., 1934, with the result that the next payment falls due Oct. 29, 1935.

• • •

Vidette Gold Mines—Reports from the property indicate that by Nov. 1, development work will be sufficiently advanced to permit resuming full-time milling. At present the mill, which started Sept. 9 is handling accumulated ore.

McVittie-Graham In No Nickel Deal

Options granted to British interests on Sudbury Nickel properties have to do with former holdings of McVittie-Graham Mines Ltd., and do not concern in any way present holdings of this company, The Financial Post is officially informed.

Previous reports stated that the British group, believed to be the newly incorporated British Nickel Corp. of London, England, had obtained options on McVittie-Graham properties. Advices from Sudbury to The Financial Post indicate that these options were given by trustees of the properties concerned.

Company Earnings

Tooke Bros.

Operating loss of $10,110 before bond interest of $14,587 is shown by Tooke Bros. for the year ended June 30, 1935, not half that of the preceding year. Accumulated deficit is now $120,801. Working capital has been well maintained.

Profit and Loss Account
Years Ended June 30

	1935 $	1934 $
Trad. loss	10,110	22,803
Bond int.	14,587	14,913
Year's deficit	24,697	37,716
Prev. deficit	80,190	42,474
	104,887	80,190
Adjust.	15,914	......
Deficit carried for'd	120,801	80,190

Working Capital Account

	1935 $	1934 $
Current assets	607,591	637,161
Current liabilities	62,486	49,244
Net working capital	545,105	587,917

Confed. Amusements

With gross and net profits down, Confederation Amusements, which owns and operates six motion picture theatres in Montreal, had a loss of $3,311 after depreciation in the year ended April 30, 1935. This was slightly less than the preceding year's loss.

Expenses were cut somewhat but taxes were higher. Working capital deficiency was less, only half the $32,591 owed for municipal taxes being owed on April 30 last. Special loans are down a little and accounts payable over a period have been halved? Depreciation and other reserves have been maintained.

Earnings and Surplus Account

	Yr. end. Apr. 30 1935 $	Yr. end. Apr. 30 1934 $
Gross oper. rev.	427,603	449,086
Gross oper. exp.	308,478	325,621
Gross profit	119,125	123,465
Interest, dividends	838	
S. F. accr. revenue	106	
	120,069	123,465
Interest charges	34,549	34,798
Admin. expenses	23,778	26,374
Taxes theatres	20,235	18,296
Amortiz. bond exp.	3,110	2,743
Other expenses	8,412	8,562
Profit	29,784	31,791
Depreciation	33,296	35,508
Net loss	3,311	3,717
Previous surplus	36,187	39,832
Income tax adj.	64	327
Carried forward	32,940	36,187

Working Capital

	1935	1934
Current assets	38,989	40,332
Current liabs.	60,393	87,401
Deficiency	21,404	47,069

Note—Current liabilities did not include $15,385 shown in 1934 for accounts payable in from 10 to 33 months or in 1935 $7,049 payable in from 17 to 21 months.

Power Corp.

Power Corp. of Canada's financial statement for the fiscal year ended June 30, 1935, shows a moderate gain in income, but a decline of approximately $2 millions in the value of the company's investments as compared with that reported a year ago. After taking care of all senior charges, the balance of earnings available on the common stock was equal to 42 cents a share, as against 29 cents a share in 1934.

The combined value of the company's investments as at June 30, 1935, amounted to $23.7 millions, against a book value of $27.3 millions, of which over 70 per cent is in the bonds and shares of its subsidiary and affiliated hydro-electric and utility companies. The decrease in the market value of investments from the previous year is due to the lower market price for Southern Canada Power common, Canada Northern Power common and British Columbia Power Class A and B stock.

The balance sheet shows that during the past year the company purchased in the open market and cancelled a further $255,700 of its 4½ per cent and 5 per cent debentures. The funded debt now stands at $10,718,300, as against $10,947,000 a year ago.

Details of the profit and loss account follow:

Income and Surplus Account
Years Ended June 30

	1935 $	1934 $
Gross earnings	1,542,586	1,325,470
Less: Oper. expenses	241,157	266,028
Directors' fees	6,440	......
Depreciation	5,000	......
Taxes	......	5,746
Interest	500,405	522,489
Net earnings	789,584	731,207
Less: 1st pfd. divd.	300,000	300,000
2nd pfd. divd.	300,000	300,000
Surplus	189,584	131,207
Add: Prev. surplus	1,143,493	1,012,286
Balance at credit	1,333,077	1,143,493

Humberstone Shoe Co.

Net profits of Humberstone Shoe Co. were the equivalent of $2.80 a share on the 20,000 common shares in the year ended July 31, 1935. If profit on sale of bonds be considered part of the year's earnings, earnings would be the equivalent of $3.14 a share. These figures compare with $2.88 a share in the 1933-34 year. Although the official report is not yet available, these figures on the year's operations have been issued by McLeod, Young, Weir & Co. Working capital is shown nearly $30,000 higher, after $2 a share dividend. Comparative figures:

Income and Surplus Account
Years Ended July 31

	1935 $	1934 $
Net inc. after exps. & depreciation	65,119	66,073
Less: Income tax	9,120	8,331
Net profit	55,999	57,542
Less: Com. divds.	40,000	40,000
Surplus for year	15,999	17,542
Add: Prev. surplus	221,543	205,091
Prof. on bonds sold	6,875	
Less: Prev. yr. inc. tax	675	1,090
Surplus forward	243,742	221,543

Working Capital

	1935	1934
Current assets	523,606	524,150
Current liabs.	121,100	141,047
Working capital	402,506	383,103

Vancouver Trade

Foreign exports through the Port of Vancouver for the first six months of 1935 as compared with the same period of 1934 show a marked increase in every considered commodity excepting lumber which is lower by only a very small amount.

McIntyre to Drop Option at Chiboug.

As hinted at the annual meeting of shareholders held last June, McIntyre Porcupine has had disappointing results of the development of the option property in the Chibougamau area of Quebec, known as the Guillam Lake property, with the result that officials of the company have decided to drop the option, The Financial Post is reliably informed.

While the company has made no official announcement, it is understood that preliminary development on these claims, acquired under option toward the middle of 1934, failed to give the results hoped for, and McIntyre has decided to concentrate on the Mud Lake, or Lake Expanse group, which is standing up well under development.

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Schreiber Visited

Area, Little Heard of Since Early 'Nineties, Now Has Two Producers—Cheap Transportation Available—Operations Described

From Our Own Correspondent

SCHREIBER, Ont. — Two gold mills have recently brought to the Schreiber field its first dual production. The mill at North Shores Gold Mines, the pioneer plant in the area, has now been joined by Harkness-Hays Gold Mines, which was being given its initial runs when visited by The Financial Post a few days ago. Regular production is imminent. Other mining attempts in the district are expected in due course to back up these milling efforts with plants of their own, so for the first time since the old days of the Empress mine in the late '90's the probability of sustained production of gold looms.

Certainly, from a standpoint of transportation, the mines of Schreiber must be unique. The North Shores operation is located on a good motor road possibly three miles from the railway. It also has dual advantage of being able to bring heavy supplies, including fuel oil, in scows and tugs which can barge right up to the plant doors via Lake Superior.

Other Properties Developing

Somewhat different, but similarly favored, the Harkness-Hays claims abut the main line of the Canadian Pacific Railway. The mill is but a few feet above rail level. The Trans-Canada Highway is at present under construction across the property. The property of Gold Range Mines, which adjoins Harkness-Hays on the east, is likewise served by both rail and road.

Other mining prospects in the area which are being given attention include the McCoshen, which is almost within Schreiber itself, while to the north of the railway a few miles, and easily reached, are the prospects of Schreiber Pyramid Gold Mines, (formerly the Dwyer-McPhee-Collins-Webster), the McKinnon-McCann, and others.

During the second quarter of 1935, North Shores Gold Mines Ltd., milled 350 tons for a total production of $11,343, giving an average per ton of $32.41. This is not an impressive record, but hardly tells the story of the present status of the enterprise. Capacity has been increased somewhat by a change in the circuit and the mill as at present laid out is capable of good work, with a recovery of 96 per cent. But North Shores, like many other young mines, has not the benefit of adequate finances, and is more or less fending for itself.

Ore Sorted For Mill

The present effort is toward the recovery of high-grade ore, and to achieve this the narrow vein is mined and material sorted before being trucked to the mill. This reduces tonnage treated, but greatly raises the grade, and gives concordantly higher output per hour of mill run. Output is thus currently around $10,000 per month, and the correspondent is given to understand that possibly half this amount will carry the operation as now pointed. With some reserve of cash it would be possible to go ahead with more ambitious development plans and open up reserves for the mill, allowing at once what might be regarded as a more orthodox method of mining.

The material being attacked at present is certainly high grade, a raise which was started from the first level in the east ore shoot having cut ore carrying $105 per ton over 8.6 inches. Ore averaging $122 to the ton for 70 ft. over a width of 5.2 inches was opened in the west ore shoot. Mining reduces these figures, as it is obviously not possible to mine only such narrow widths, but the rock from development is broken rather fine and carefully sorted before being taken to the mill.

Power for mill and mine is supplied by Diesel engines, and, as stated, it is possible to deliver fuel oil either by lake or rail and truck. All workings are from adits, with raises and winzes. A few days ago a crosscut run in to tap the No. 2 vein at a point 100 ft. below the first level cut the vein, which showed free gold in material similar to ore being treated, with assays from this not available at the time of visit. This would indicate about 250 feet of backs to the ore in No. 2 vein.

Harkness-Hays

To the east of Schreiber and on the north side of the C.P.R. is located Harkness-Hays Gold Mines, which succeeded Harkness - Hays Gold Mining Co., in 1934. The finishing touches had been put on the mill and it was getting its test run when The Financial Post visited the property. This property in some respects is similar to the North Shores, inasmuch as the veins are generally featured by the presence of considerable free gold. The No. 3 vein is the basis of present mill feed, and ore is being drawn from stopes above the 55 ft. level, so called, although the adit level is 195 ft. above the C. P. R. tracks.

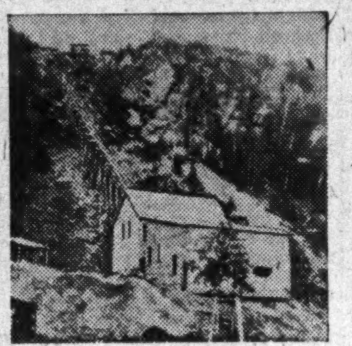
Values have been proved commercial in the No. 3 vein according to official reports, and recent channel sampling is responsible for values of $110.94 over an average width of 20.86 inches in five foot sections, though the length of this shoot is not stated. Here, the mining and milling are simplicity itself, as broken ore is drawn directly from the adit portal and shot down an inclined chute directly into the ore bins at the mill, and on into the circuit. While chief development has been confined to the No. 3 vein, there are several other occurrences which have returned gold values and which will be the subject of future development.

Gold Range Mines

Adjoining the Harkness-Hays enterprise is the property of Gold Range Mines, where mining operations of the adit type have been carried out similar to Harkness-Hays. Several gold-bearing veins have been reported, though lode gold mining operations have been curtailed in favor of testing reputed placer gold in gravel beds at the foot of the hills.

In the opinion of James Crookston, consulting geologist, sufficient concentration of values in these gravels is present to make them economic and tests have been carried on for some time with a sluicing and pulverizing combination, under the supervision of A. V. Hannam. At present only a small crew being employed.

Schreiber's Two Producers



The Schreiber area of northwestern Ontario now has two producing mines, both of which were recently snapped by The Financial Post, during a visit to the area. Above is seen the plant of North Shores Gold Mines, showing office, mill building, with ore bins and power plant. To the left is a view of the new mill at Harkness Hays Gold Mines, showing gravity handling of ore by chute from adit tunnel on No. 3 vein.

Rather ambitious plans for installation of a mill have also been given voice by Schreiber Pyramid Gold Mines, recent mention having been made of forthcoming installation of the first unit of a 50-ton mill, although enquiry failed to find any present evidence of activity on this prospect, which is located three and one half miles north of Schreiber. It is presumed that such installation, which will be based on surface work already performed, awaits purchase. The prospect has been reported on by the late Dr. J. M. Bell and others, and the surface work which has been done has exposed veins with good values and widths, though whether the status of present operations is such as to warrant a mill such as has been mentioned appears a matter of conjecture.

Adjacent to this prospect is the McKinnon-McCann, which was not visited, but local reports describe some excellent showings of gold, with high grade evident in three strong veins which have been explored by the owners.

Almost within the town limits is the McCoshen prospect which has been acquired on an optional basis by Chicago interests. A compressor has been moved on to the location to test a vein which is said to have an indicated length of 1,100 ft. Some 24 ft. of mineralization is seen in places, and values have been so encouraging that an adit will be run into the side of a steep hill to cut the vein. A parallel vein some 40 ft. distant is also believed to hold possibilities which will be explored.

Bullion Dealer

JOHN W. COLGAN

Manager of Handy & Harman of Canada Ltd., who, according to the Toronto Industrial Commission, will build a plant in Toronto. The company is a subsidiary of the New York firm of Handy & Harman, bullion dealers and refiners of gold and silver.

JOWSEY ISLAND TO DEEPEN SHAFT TO 200 FT. DEPTH

Drilling Shows Ore Shoot 300 ft. Long and 4½ ft. Wide

Jowsey Island Gold Mines, which started its shaft on August 31, on a point on the north shore of Jowsey Island, and between the two veins reports that drilling on these two bodies shows an ore shoot 300 ft. long assaying .36 oz. over an average width of 4½ ft. at an average depth of 90 ft.

The company's immediate programme will be to sink a two-compartment shaft to 200 ft., and complete 600 ft. of drifting along the ore zone, limited by drilling. As previously reported in The Financial Post, the mineralized porphyry dyke carrying the Jowsey vein has been indicated by drilling for a length of some 8,500 ft. across the company's property.

BIDGOOD-KIRKLAND TO WORK NO. 18 VEIN

20 Per Cent of Millfeed Being Drawn From 505 Stope

Bidgood-Kirkland Gold Mines plans to resume work on No. 18 vein, which is believed to be the extension of the Moffat-Hall vein, according to an official announcement. Development work during August was held to a minimum, all efforts being concentrated on No. 5 vein.

S. A. Pain, consulting engineer, reports that in No. 5 vein system on the fifth level, stope 505 has been carried to a height of 60 ft. above the drift. This stope is currently giving about 20 per cent of the millfeed. The grade has varied from $4 to $10.20 per ton. During the early part of August some low grade material was broken due to slight faulting, but grade should hold at a higher level now.

The 506 stope on two newly-developed oreshoots in this vein system has been commenced. To date it has been carried forward for a distance of 140 feet and to a height of 60 feet. An exploratory sub-drift is being driven to the east at a height of 32 feet. To date it has advanced 20 feet, with the following assays obtained: $14.40 over a width of 46 inches, $50.60 over a width of 30 inches and $24.31 over 30 inches. Mr. Pain states that indications are that the grade of ore will improve as the drift advances.

MAKING PROGRESS IN BUFFALO-ANK. MARBUAN MERGER

Appraisal of Plant Completed — To Engage Engineer

Progress is being made in connection with the proposal to merge the properties of Buffalo-Ankerite and Marbuan Gold Mines, according to an official announcement. The appraisal of buildings, plant and equipment of the two companies has been completed and it is now proposed to engage an independent engineer to make a report on the question of valuations and on the recommended basis of the purchase price.

Although the boards of directors of both companies have expressed their approval of the proposed purchase of the Marbuan property, the consideration to be a block of Buffalo-Ankerite stock, the actual basis of purchase will depend upon the report of the independent engineer. The entire plan will be submitted to stockholders in the form of a report before any final action is taken.

Buffalo-Ankerite Appraisal

The Canadian Appraisal Co. of Montreal in its report to the boards of directors of the two companies places a higher valuation on the buildings, machinery and equipment than is shown by the respective balance sheets.

The Canadian Appraisal Co. places a value of $398,805 on the buildings, machinery and equipment as of June 29, 1935. This valuation is based upon the cost of reproducing same, after deducting depreciation for wear and tear and other reasons. Buildings are valued at $102,785 and machinery and equipment at $296,020. The replacement value of the property is certified to be $538,930.

The balance sheet of the Ankerite company as at June 30, 1935, carries the buildings, machinery and equipment at a total value of $342,263, less reserve for depreciation of $113,426, or at a value of $228,836.

Marbuan Appraisal

The appraisal value of the Marbuan property, exclusive of land, based on cost of reproducing same, after deducting depreciation for wear and tear and other reasons, is placed at $177,437, consisting of buildings valued at $50,382 and machinery and equipment valued at $127,055. The replacement value of these properties is given by the appraisers as $263,474.

The Marbuan balance sheet as at June 30 last shows that the company carries buildings and equipment on its books at a total value of $138,718, less reserve for depreciation of $20,487, or a value of $118,231.

Production for August

For the month of August, Buffalo-Ankerite reports the largest recovery for any one month since the company commenced operations. Recovery for the month totalled $92,000 from 14,327 tons of ore milled, yielding an average recovery of $6.42 per ton.

Marbuan recovery for August was approximately $25,000 from 5,161 tons of ore milled. This gives an average recovery of $4.84 per ton. E. G. Kinkel, president, states that while recovery during the month was somewhat disappointing the ore now being broken in the various stopes has increased materially in value indicating increased production for September and subsequent months.

SALLY MINES PLANS ADDITIONAL LEVELS

Results Disappointing But Not Discouraging, Report States

The result of operations to date at Sally Mines on Wallace Mountain in the Greenwood mining division of British Columbia has been disappointing, but to those in close touch not discouraging, W. B. Farris, president states in a report to shareholders.

Lack of sufficient funds has slowed up development considerably, Mr. Farris points out. The company has at all times been operating on a very narrow margin of working capital. Last year the company had to sink a shaft and install new equipment, which cost in the vicinity of $35,000. At the beginning of the current year the company was in debt to the extent of $17,000. As a result the company has had to depend on revenue from ore recovered to finance operations. During the past six months the company has been able to reduce its indebtedness slightly in addition to paying operating costs.

Disappointing results in the current year to date have been due to losing the Wellington vein shortly after drifting was commenced as a result of a number of faults. If the company had had ample funds this would not have been serious, as the engineers were absolutely confident that the vein would be again located. This vein has recently been encountered on the fifth level.

To Open Up Two More Levels

Mr. Farris estimates that in order to pick up this faulted section it would be necessary to sink the shaft another 80 ft. The company's engineers, however feel that if the shaft is further continued it should be put down another 200 ft.

As soon as funds are available, it is proposed to drive a 70-ft. crosscut on the Rob Roy claim. This should connect up with the continuation of the Bell vein and would give the company a second independent operation, the report states. The company's mine superintendent also recommends that the company proceed with a third operation from the Castor claim.

In CONFERENCE ...

I paid a call on a friend of mine. The switchboard girl told me he was "in conference." How often have I heard that phrase! Once I heard of a secretary to an irascible man who, in exasperation, told the truth.

"I'm sorry, you can't see Mr. Snitch," she said, "He's in a temper!"

To get back to my friend, as I brushed through and into his office I found he *was* in a conference all right, and in a temper too. An important client had just sent in a complaint and he had two of his salesmen standing on their heads in mingled confusion and apprehension.

"Send the boys outside a moment," I suggested. When they had gone I sat down and handed him a Bachelor. Then he smiled, lit up, and drew in a long draught of pure Havana fragrance.

"Perhaps it's not as bad as I thought," he said. "I'll just go over and see Jackson myself and straighten it up." At the door he paused. "Give me a couple of those," he said. "He's a man who knows values and he'll agree with me that

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